

1919
JUN 15

INDEP
No 16 and 854394

THE ROUND TABLE

A QUARTERLY REVIEW OF THE
POLITICS OF THE BRITISH COMMONWEALTH

CONTENTS

SEPT

The Peace of Versailles :

*Signature and Afterwards—The Two Strains—The Terms Imposed
on Germany—The Next Step*

Finance and Reparation

The League of Nations and the British Commonwealth :

*The New Confession of Faith—The Method of the Conference—The
Council of the League—The Problem for the British Commonwealth*

The Military Effort of the British Empire :

*Enlistments in the British Empire—The Losses of the British
Empire—The Allies of the British Empire*

Russia's Revolt against Bolshevism :

*Is Bolshevism on the Wane?—The Bolshevik Government and
Peace—The Anti-Bolshevist Movement in Russia—The Movement
in Siberia—The Volunteer Army in Southern Russia—The Pro-
visional Government in Northern Russia—The Russian Represen-
tatives at Paris—Conclusions*

Political and Economic Developments in the United States

Indian Politics :

*The Economic Situation—Political Parties and the Proposed Reforms
—The "Rowlatt Bills"—The Budget—The Recent Outbreak*

United Kingdom :

*The Industrial Unrest—The Financial Position—Public Opinion in
Ireland*

Canada :

*The Death of Laurier—The Liberal Leadership—The Position of
Quebec—From War to Peace*

Australia :

The Peace Conference—The One Big Union

South Africa :

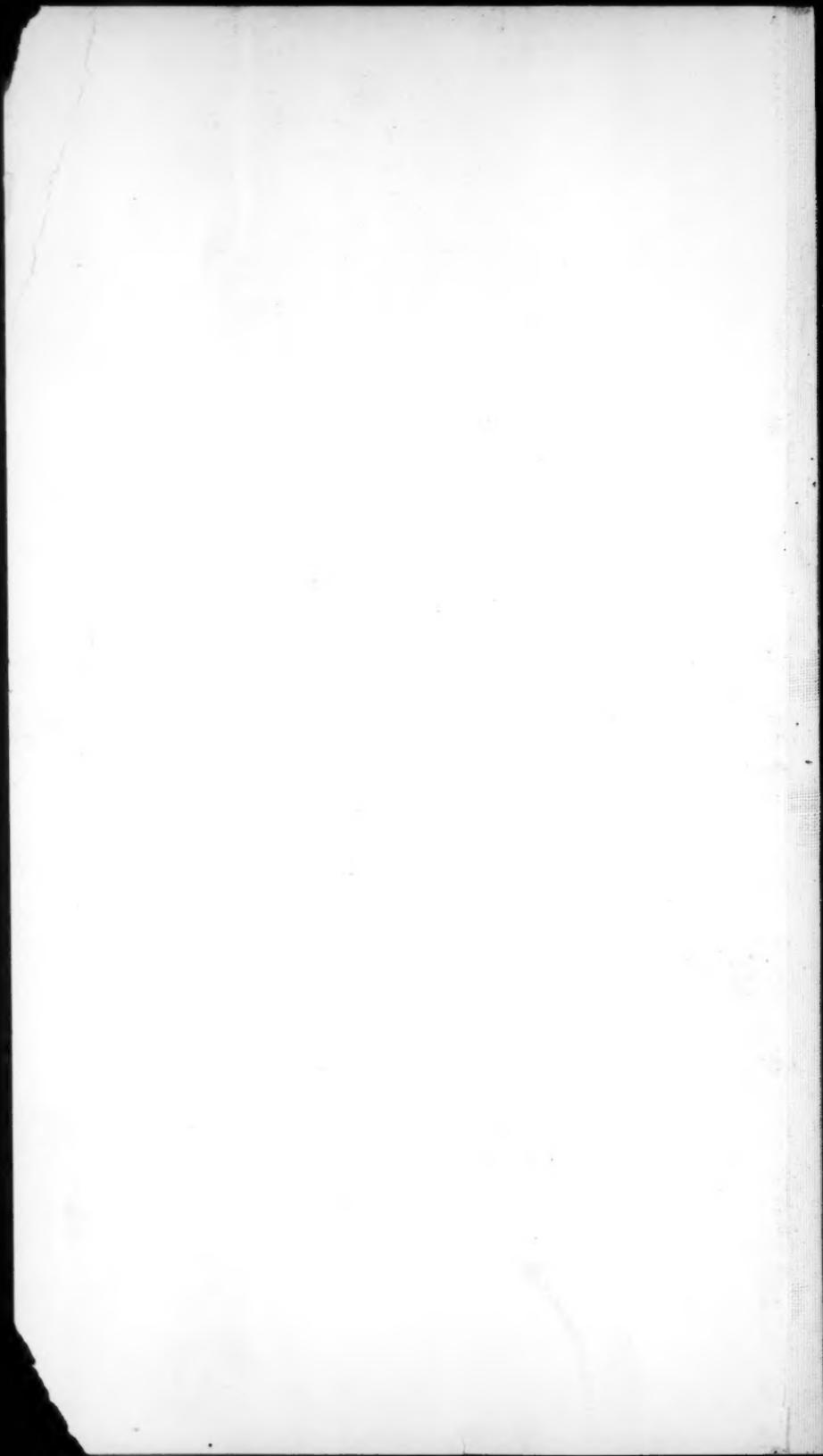
The Nationalists and the Peace Conference

New Zealand :

*The Labour Situation—New Zealand's War Effort—New Zealand
and the Peace Conference—Repatriation Problems*

JUNE MCMXIX Price 2/6 N° 35

Entered as second class matter at the New York (N.Y.) Post Office.



THE ROUND TABLE

A QUARTERLY REVIEW OF THE
POLITICS OF THE BRITISH COMMONWEALTH

CONTENTS

The Peace of Versailles	page 429
Signature and Afterwards—The Two Strains—The Terms Imposed on Germany—The Next Step	
Finance and Reparation	455
The League of Nations and the British Commonwealth	468
The New Confession of Faith—The Method of the Conference— The Council of the League—The Problem for the British Commonwealth	
The Military Effort of the British Empire	495
Enlistments in the British Empire—The Losses of the British Empire—The Allies of the British Empire	
Russia's Revolt against Bolshevism	509
Is Bolshevism on the Wane?—The Bolshevik Government and Peace—The Anti-Bolshevist Movement in Russia—The Movement in Siberia—The Volunteer Army in Southern Russia —The Provisional Government in Northern Russia—The Russian Representatives at Paris—Conclusions	
Political and Economic Developments in the United States	532
Indian Politics	545
The Economic Situation—Political Parties and the Proposed Reforms—The "Rowlatt Bills"—The Budget—The Recent Outbreak	
United Kingdom	565
The Industrial Unrest—The Financial Position—Public Opinion in Ireland	
Canada	588
The Death of Laurier—The Liberal Leadership—The Position of Quebec—From War to Peace	
Australia	601
The Peace Conference—The One Big Union	
South Africa	620
The Nationalists and the Peace Conference	
New Zealand	630
The Labour Situation—New Zealand's War Effort—New Zealand and the Peace Conference—Repatriation Problems	

N° 35. Price 2/6 JUNE · MCMXIX

London: MACMILLAN & CO., LTD.

Entered as second class matter at the New York (N.Y.) Post Office.

NOTE

THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in all parts of the British Commonwealth, and whose aim is to publish once a quarter a comprehensive review of Imperial politics, entirely free from the bias of local party issues. The affairs of THE ROUND TABLE in each portion of the Commonwealth are in the hands of local residents who are responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE will reflect the current opinions of all parts about Imperial problems, and at the same time present a survey of them as a whole. Opinions and articles of a party character will be rigidly excluded.

THE ROUND TABLE can be obtained through any bookseller or through any of the following:

UNITED KINGDOM: Messrs Macmillan & Co., Ltd., St. Martin's Street, W.C.

CANADA: The Macmillan Co., of Canada, 70 Bond Street, Toronto.

AUSTRALIA: Messrs Macmillan & Co., Ltd., 109 Russell Street, Melbourne.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: A. R. Atkinson, Esq., 142 Featherston Street, Wellington.

INDIA: Messrs Macmillan & Co., Ltd., Bombay, Calcutta, and Madras.

EGYPT: Cairo Express Agency, near Shepheard's Hotel, Cairo.

CHINA, JAPAN AND STRAITS SETTLEMENTS: Messrs Kelly & Walsh, Shanghai, Hong-Kong, Yokohama, Singapore.

UNITED STATES: The Macmillan Co., 64-66 Fifth Avenue, New York.

THE ROUND TABLE

THE ROUND TABLE is a Quarterly Review of the politics of the British Commonwealth conducted in a strictly non-party political spirit. It seeks to promote the unity of the British Commonwealth by presenting every quarter an accurate and non-partisan account of the politics of all parts, together with articles dealing with foreign and inter-Imperial problems from the Imperial point of view.

THE ROUND TABLE can be obtained through any Bookseller or through any of the following :

UNITED KINGDOM: Messrs Macmillan & Co., Ltd., St Martin's St., W.C.

CANADA: The Macmillan Co., of Canada, 70 Bond Street, Toronto.

AUSTRALIA: Messrs Macmillan & Co., Ltd., 109 Russell St., Melbourne.

SOUTH AFRICA: J. Tyndall, Esq., 29 Sauers Buildings, Johannesburg.

NEW ZEALAND: A. R. Atkinson, Esq., 142 Featherston St., Wellington.

INDIA: Messrs Macmillan & Co., Ltd., Bombay, Calcutta and Madras.

EGYPT: Cairo Express Agency, near Shepheard's Hotel, Cairo.

CHINA, JAPAN AND STRAITS SETTLEMENTS: Messrs Kelly & Walsh, Shanghai, Hong Kong, Yokohama, Singapore.

UNITED STATES: The Macmillan Co., 64-66 Fifth Avenue, New York

ORDER FORM (No. 35)

Date

To

Please add my name as a subscriber to THE ROUND TABLE for a period of one year commencing with the ^{*}current issue. _{next}

I enclose a remittance of 10s., \$2.50 (Canadian), or Rs.7/8.

Name

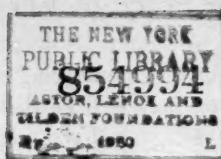
Address

..... * Delete one of these words.

LONDON: MACMILLAN & CO., LTD.

PRINTED BY
W. H. SMITH & SON
THE ARDEN PRESS
STAMFORD ST.
S.E., AND PUB-
LISHED BY MAC-
MILLAN AND CO.
ST. MARTIN'S ST.,
LONDON, W.C.





THE PEACE OF VERSAILLES

I SIGNATURE AND AFTERWARDS

THE Peace of Versailles will never be justly appreciated by those who fail to hold in mind the pressure under which its authors have worked. War has left Europe in ruins, and in great part a prey to wolves. There is scarcely a soul the current of whose life has not been turned awry by the conflict. Nearly everyone must order their lives anew. In a multitude of cases the decisions which each must make for himself can hardly be made until greater decisions are registered by the Governments in Council. No wonder the world is in haste ! No wonder the charge that the delegates have been trifling at Paris has fallen on willing ears !

The best answer to this charge is the treaty before us. The original document is said to contain upwards of four hundred foolscap pages. The tersest summary which could be framed for the Press contains no less than 12,000 words. And yet these are the terms of peace with the principal delinquent only. An index of all the issues which have forced themselves on the delegates for settlement in Paris would show that the Conference has been called upon to plan anew the fabric of human society. Yet in the treaty proposed to Germany a great part of this plan has been drawn in but little more than one hundred days. Nor let it be forgotten that meanwhile the delegates have had in some sort to act as the Government of Europe. A great part of it had to be fed. Anarchy was following in the

The Peace of Versailles

train of famine. Now and again the flame of war was bursting anew from the smouldering ruins. Not dallying, but dangerous haste, may well be the verdict of historians who see what the delegates have tried to settle in a few months.

The truth is that the task of harvesting the results of a war like this on the morrow of war is too great for human powers. The knowledge needed is knowledge which experience alone can bring. Nor would it suffice that the men who actually frame the peace should possess that knowledge. There are things which rulers now know to be right, which they also know that the peoples to whom they are answerable would not accept. For men in the mass, even more than for individuals, experience will prove the only effective instructor. Perhaps it is best that so vast a complexity of matters should be settled in haste, and the settlement brought without delay into operation; provided always that the thing is capable of amendment in the light of the knowledge which experience will bring.

Whether it is best or not, the circumstances in any case render it inevitable. The Peace must now be signed and brought into effect with the least delay possible. It is idle, and worse, to suggest that the shattered system of Europe should be left upon the rack for another indefinite period while the framework of peace is recast. It is an urgent necessity for millions of human beings that reconstruction should begin at once; and though the framework of reconstruction here provided may be seriously incomplete, it provides a just and reasonable basis for the first stages of the work. Most of the deficiencies in the present settlement will be met only by open-minded conference and co-operation, when that becomes possible, between the victors and their various enemies. They will therefore be all the better met when reconstruction is afoot and time has mitigated the narrowness of vision and the bitterness inevitably engendered by war. Further delay in making peace would not promote a really enduring solution

Signature and Afterwards

of the problems to be faced ; on the contrary, it would aggravate the strain already shown by many tempers and exacerbate the very difficulties which it proposed to correct. It might indeed go far to impair the broad measure of agreement already attained, at the risk of plunging Europe into a deeper welter of passion and revolt. To think for one moment on the misery which such a course must entail for millions throughout the world is to banish it from consideration at once.

The Peace, then, must be brought into effect forthwith. But let there be no under-estimate of the problems which must still be faced before a stable European equilibrium can be reached. The fabric of peace as at present projected is good in warp, but it has no woof. The co-operation of all countries, vanquished no less than victors, will be needed to give the fabric permanence. There can be no enduring stability in a European system which leaves two populous countries without certain hope of rehabilitation except through overthrow of the existing settlement. Without Germany and Russia the League of Nations will be dangerously incomplete. They must find some adequate prospect of reconstruction and development within the League or they will be its wreckers from without. To state this problem is not, however, equivalent to indicating its solution, as many honest commentators upon the Treaty appear to think. Generosity to one's enemies at the expense of one's friends is not a course either of justice or of common sense. The difficulty of reconciling reparation and security for shattered France and Belgium with any consideration for the stability of Germany is immense. The present situation of Germany, with all her mines and factories intact, while those of France and Belgium have been wrecked beyond hope of restoration for a considerable period of years, demands the ruthless exaction of every forfeit and security which France and Belgium can obtain. This is an essential element of the Peace. And yet, if reconstruction is to be permanent, the

The Peace of Versailles

payment of retribution is not enough. The whole society of nations has a common interest in the stability of Europe. In this respect the interest of France and Belgium is identical with that of Germany. No reconstruction can last unless it is based upon a stable Germany as well as a stable France. It must also depend very greatly, though not so urgently, upon the re-establishment of order in Russia and of normal relations between Russia and other peoples. The League of Nations must deal with these necessities, but the Peace of Versailles contains no indication of how it is to do so. The relation to be established between Germany and Russia on the one hand, and the League of Nations on the other, is left indeed in the darkest of diplomatic obscurity.

While, therefore, the Peace is an essential step to reconstruction and must be brought into effect forthwith, its ultimate success will not be assisted by those who take it uncritically as the final solvent of all the international disharmonies created or embittered by the war. We must know how far it is likely to carry us on the way to stability, and in what respects it is likely to fall short. For this purpose it is necessary to attempt some brief analysis of its character and its origins.

II. THE TWO STRAINS

AS it stands, the Peace is a hybrid, showing in the dual nature of its provisions the influence of two strains. This dualism is in part the secret of the fact that it leaves some problems untouched and deals with others far from satisfactorily. Its achievement is nevertheless very great, and it owes this mainly to one of the two forces which it combines.

This force is the idealism which is seeking to found a new and saner Europe on the ruins of the old. It may not be the more powerful as yet, but it is, we believe, the more

The Two Strains

enduring of the two strains. Great interests and great ideas have often been in conflict since the beginning of history ; the great ideas are sometimes obscured, sometimes totally eclipsed, but in the end they win. In this instance there is a vast reserve of human aspiration and feeling behind the dream of a world protected against war. It is easy to find weak places in the practical form which the Peace has given to this dream. But the dream has borne fruit nevertheless ; international relations have been given a new mould ; and if the mould be weak and faulty, yet there is a spirit in this new covenant which can do much to correct the faults and strengthen the fabric when its deficiencies are seen.

The broad features of the Peace are all derived from this ideal strain. In the first place there is the Covenant of the League, the nature of which cannot be better set forth than in the explanatory memorandum issued by the British delegates.* "The document," they write, "is not the constitution of a Super-State, but, as its title explains, a solemn agreement between Sovereign States, which consent to limit their complete freedom of action on certain points for the greater good of themselves and the world at large."

Recognising that one generation cannot hope to bind its successors by written words, the Commission has worked throughout on the assumption that the League must continue to depend on the free consent, in the last resort, of its component States ; this assumption is evident in nearly every article of the Covenant, of which the ultimate and most effective sanction must be the public opinion of the civilised world. If the nations of the future are in the main selfish, grasping and bellicose, no instrument or machinery will restrain them. It is only possible to establish an organisation which may make peaceful co-operation easy and hence customary, and to trust in this influence of custom to mould opinion.

The modesty of this statement of aims gives the measure of the practical statesmanship which framed the Covenant.

* Published in the Press, April 29.

The Peace of Versailles

The League is all the more likely to justify its existence and increase its power if it starts from small beginnings and educates the opinion on which it depends. Its machinery is discussed in a later article in this issue, and need not delay us here; but three of its main provisions require mention, because they may prove factors of the first importance in the fortunes of the terms of peace. These three provisions are to the following effect :

1. All signatories of the Peace take and give a mutual guarantee of territory and independence.
2. All signatories declare that any circumstance which threatens international peace is an international interest.
3. A Permanent International Court of Justice is established to provide for "such a continuous development of international jurisprudence, at present in its infancy, as can only be supplied by the progressive judgments of a Permanent Court working out its own traditions."

These provisions entail a declaration of common interest and an acceptance of common obligation as between all members of the society of nations. None but dreamers of utopian dreams will imagine that sovereign states inhabited by human beings will always maintain this standard in practice, or even seek to maintain it. None the less the establishment of the League and the declaration of its obligations form an essential part of the European system which the Peace of Versailles will set up. It gives, for instance, the guarantee of all members of the League for the territorial integrity of the new states of Poland and Czecho-Slovakia, whose boundaries with Germany are defined in the terms of peace. It guarantees equally all other boundaries established by this Peace or by the treaties which have still to be made with the other belligerents. This constitutes an entirely new principle in

The Two Strains

international affairs—not that such guarantees have not been given in the past, but that they have never been planted on so broad a basis of international consent. It affects most closely the problems which are left untouched or insecurely dealt with in the actual terms of peace.

Two other features of the Treaty must not be overlooked. One is the Labour Convention, which is embodied in the Treaty and guaranteed by the League. It includes arrangements for a permanent central organisation and an annual conference, and also contains an affirmation regarding the conditions of labour which the signatories will endeavour to create. The other feature is the introduction of the mandatory system into the government of the Colonies ceded by Germany, and the affirmation of certain principles which should govern the relations of civilised with half-civilised or uncivilised peoples throughout the world. A permanent Commission is established to collect information on this subject and deal with reports.

A summary can do no justice to the new constitution which the society of nations derives from this ideal strain in the Peace, but a recapitulation of its main features will illustrate how wide is its scope. The smaller nations are re-established, and in many cases delivered from a subjugation which was aimed at their cultural life; the essentials of freedom are guaranteed to all nationalities by a covenant binding all the Powers; the future of half-civilised and uncivilised peoples is secured by a system of trusteeship to the principles of which all civilised states are pledged; international law is to be broadened and fortified by the establishment of a permanent international court; finally, international relations are endowed with a new mechanism for making information public, for simplifying discussion, for anticipating differences, and, above all—since all depends on it—for bringing the representatives of all nations into annual conference. This is the framework of the Peace, and it is not unworthy of the practical

The Peace of Versailles

idealism which has been one of the two main forces governing the Peace Conference.

The other force which has shaped the Peace looks less to the future than to the present and past. It is a compound of anger and fear—anger at the havoc and desolation wrought by the war, anger at the ruthless passion for domination in which the peace was first broken and horror piled upon horror as the struggle grew more intense, anger at the utter disruption of the bases of honourable human intercourse which German militarism willed and carried out; and fear compounded with this anger, lest those who struck the felon blow at human society should ever recover the power to organise another such attack. This anger and this fear have combined in a passionate determination to punish the criminal nation, to make it compensate its victims and expiate its crimes, and, above all, to reduce for ever the resources which enabled it to put its abominable ambitions to the test.

Such righteous indignation is natural, necessary and just. The German people must feel the full weight of the deprivations and indignities which they themselves were rejoicing to heap on their weaker and temporarily helpless enemies only a twelvemonth past. They must restore in the fullest measure practicable the countries which they have ravaged, and the industries which they have destroyed. Not only this, but every German soldier to whom a crime against the established laws of war can be legally brought home must suffer in his person the full penalty of his misdeed; and the whole German nation must be brought to realise and condemn the licence of brutality which their leaders claimed to exercise in the name of German reason of State. Until every German is conscious of the moral boycott in which the crimes of his chosen governors have involved the German race, there is danger lest he may deny their crimes and entrust his conscience once more to the keeping of the moral pariahs who have prostituted his mind and talents for two generations past.

The Two Strains

The fear compounded with the anger is no less just. The German people supported their rulers so whole-heartedly until they were confronted by the spectre of defeat that none can believe in any sudden change of heart. Every precaution must, therefore, be taken to ensure the fulfilment of the terms of peace ; and in so far as just precaution requires the submission of Germany to infringements of domestic liberty for a period of years, those liberties must be curtailed and Germany must suffer a degradation which she was eager herself to inflict upon her enemies while power was in her grasp. This is sufficient ground for the reduction of German armaments and the dismantling of German defences before her neighbours consent to any corresponding movement on their own part. *Que messieurs les assassins commencent.*

To this fear, however, there is also a weaker and less moral aspect. Looking to the future, it has sought to capitalise the advantage of the moment, so that those who are at present the possessors of superior power may live on the interest of their victory long after their real superiority has passed. This has told both upon the method of making peace and on the character of many details in the terms of the Treaty itself.

On the question of method a very unfortunate departure was made from the best practice of the past. In 1815, for instance, the state of war was ended by a Preliminary Peace, and the complicated details of the final settlement were then elaborated under less pressure at the Vienna Congress. If such a course was desirable in the simple conditions of 1815, how much more desirable was it in the terribly complex conditions of the present year ! The fact that it was not adopted may perhaps be satisfactorily explained when the secrets of open diplomacy are finally revealed. At present the only explanation available is that some of the parties to the conference had insufficient confidence in the merits of their own case, and were, therefore, bent on using the world's necessity for peace

The Peace of Versailles

as a lever in securing the full detail of their individual demands. However this may be, the procedure adopted was unquestionably unfortunate. It was two months after the armistice before the Peace Conference met ; and then it sat down to settle the future of the whole world while the greater part of the population of Europe, disorganised by war and lacking even the necessaries of life, awaited its decisions with feverish impatience. It is no wonder that the nerves of Europe have seemed to jangle like broken wires during the whole period of the Conference.

The consequences are evident in some of the details of the text. Ministers at Paris have been subject to fierce and continuous pressure in their dealings with almost every one of the thousand questions that came up, and decisions have had to be made lest the work of peace-making should altogether collapse. The case against Germany has been pressed at every point by anger for the past, fear for the future, and a keen determination to exploit the advantage of the moment to the uttermost. The dramatic pilgrimages of the Italian delegation between Rome and Paris, though not affecting any German question, are an example of methods that were obviously widely employed, and as obviously not employed without effect. It was terrible that such moves and countermoves should come between the world and its urgent need of peace. Had the broad principles been enunciated in a preliminary peace, the urgency of the situation would not have dominated the whole work. As it was, the details had to be settled somehow, and settled in the absence of an essential party to any detailed settlement. The case for Germany in details where local knowledge was essential always went by default. At point after point the pressure led to another and yet another decision against the common enemy. There is no section of the Treaty, indeed, in which the broad justice of the settlement does not outweigh its minor defects ; but though the doubtful decisions

The Two Strains

against Germany at one point and another are individually small enough, the cumulative effect of them is very great.

The method adopted has produced another bad result. Opinion may differ as to the actual letter of the engagements which we made at the armistice, but the spirit of them is undoubtedly strained in some of the detailed provisions of the peace. There is some honest ground for the feeling manifest in Germany that the terms on which she laid down her arms have not been observed in all respects.

So much for the general character of the document. Its motives are mixed, and it is incomplete. But let no one suppose that its mixture of motives could have been avoided by even the most disinterested and farsighted of statesmen in this spring of 1919. The world has been torn and embittered by the ravages of war for four and a half years; and statesmen have to deal with human nature, which is always what it is. Nor yet let anyone suppose that, if the strain of anger and fear had been entirely absent from the counsels of Paris, the purely ideal strain could in present conditions have produced a completely satisfactory and final peace. The state of the world would not admit of it. Everything is in turmoil and flux—political factors, economic factors, financial factors, military factors, and, more important than all, the factors of popular desire and sentiment. Many of the most critical problems are not ripe for solution of any sort. It was, therefore, inevitable that some should be only provisionally dealt with, and others not dealt with at all. To attempt a complete and final settlement of the face of the earth would have been insanity. As well attempt to plough and sow forthwith the devastated battlefields of Ypres or the Somme.

There are indeed no parallels in history for the conditions with which statesmen have been struggling to deal this year. The world is now so closely knit that conditions in all parts act and react and interact with bewildering complexity. The urgent needs of the present have

The Peace of Versailles

alone presented an almost overwhelming problem. In years to come few historians will realise the awful need for day-to-day decisions which has rested on the Paris Conference.

Criticism is useless which ignores these facts. It is a genuine triumph of statesmanship to have secured so large a measure of agreement on the broad framework of reconstruction and to have presented this framework for Germany's acceptance in the name of a solid *bloc* of Allies, amongst whom she can exploit no rifts. But it is also useless to ignore the incomplete character of much of the peace. Further examination of its character is necessary if public opinion is to assist, as reconstruction proceeds, in securing the measures still required to ensure a stable settlement. From this point of view there is one paramount deficiency in the Peace for meeting which public opinion in the British and American Commonwealths will be specially responsible and specially qualified. Everything will depend on the course these Commonwealths take. A closer view of the terms of settlement is necessary to bring this out.

III. THE TERMS IMPOSED ON GERMANY

THREE is one provision in the terms of peace with which the good name of this country is closely concerned. Though not equal in intrinsic importance to several other provisions, it is typical of a state of mind which presents a serious obstacle to lasting settlement and may prolong a barren controversy for months or years with poisonous results. We mean the clause which arraigns the Emperor William II. for "a supreme offence against International Morality and the Sanctity of Treaties," and requests the Dutch Government to hand him over for trial before a court appointed by his enemies, which will make its own code and fix its own penalties.

The Terms Imposed on Germany

High legal authorities have apparently been found to justify these proceedings on legal grounds. We need not enter into that controversy except to say that Governments desiring to give new sanctity to international law should be peculiarly concerned not to strain it for their own purposes in any sense. The extreme uncertainty surrounding the legality of these proceedings is, therefore, specially unfortunate. The most serious objection to them is based, however, on considerations of a broader sort. We may claim with confidence that history will convict the German Government of an infamous determination to force the war when and as they did; but what merely human wisdom can be equal at this moment to assessing the comparative responsibility of a ruler, his counsellors and his people for the complex of causes, going back over two generations of crowded history, which finally culminated in the climax of 1914? Public opinion, which has forced this impossible trial upon the allied statesmen, is notoriously weak in its judgment of individuals; the course of history—and not least our own history—is strewn with its injustices and its mistakes. What prospect is there that any court can justly assess the responsibility for the German crime in 1914? It is beset with questions beyond the scope of contemporary human judgment, which may well be disputed by human judgment for all time.

It may be that the presence of the Emperor William in any European country is a danger to European peace. If so, the question is political, not legal; it is in our power to deal with him as we dealt with the Emperor Napoleon; and the sooner he is removed from Europe the better. To put him on trial is merely to make the danger, if such there be, worse. It will give him back the dignity which he has lost by his own act; it will revive the sentiment which his flight from Germany destroyed; it will restore his power to focus and sway the national feelings of a people whom he abandoned at the nadir of their fate. What sense or states-

The Peace of Versailles

manship can there be in giving this pitiable figure new life, in making it the central feature of the morning papers for an unknown period of months, in allowing it to distil new poison in the European atmosphere, and perhaps to prejudice indefinitely the growth of that better understanding between victors and vanquished which is essential to any enduring settlement? We sincerely trust that the judges appointed to the court will have the courage to rule at the outset that they have neither the jurisdiction as a court nor the competence as individuals necessary for dealing with such a case.

Among the most important terms of peace are the Reparation Clauses. We deal more fully with this subject in a later article,* and need make but two observations here. In the first place the Reparation Clauses represent the most extreme results of the method by which the Treaty was framed. Their actual incidence will obviously be limited by Germany's ability to pay, and this ability will obviously be conditioned by our willingness to assist the restoration of German industry, which means assistance to compete with our own. But if these clauses are taken to mean what a very large section of public opinion in this country, and a still larger section in France, believes and wishes them to mean, they will form a constant and powerful incentive to Germany to repudiate her undertakings in all parts of the peace. Everything will therefore depend on the methods adopted during the next few years for working the economic and financial problems out. Genuine German participation in the counsels of the League is the only real security to which we can look forward against renewed conflict and a relapse into chaos. How is this to be secured?

The territorial provisions of the Treaty, while indisputably just in the broad, are open to similar question in one or two respects. The clause, for instance, in Section III. which binds Germany to recognise "the entire inde-

* "Finance and Reparation," p. 455.

The Terms Imposed on Germany

pendence of German Austria" is difficult to understand, unless it is intended to forbid the union of the two branches of the German people. It is certainly taken to bear this meaning in Germany and France. If this be so, it is difficult to reconcile either with our engagements or with the principles of the Covenant. For the present, the question is academic, as German Austria is obviously anxious to secure separate and better terms from the Allies; but the future of German Austria, and of various other millions of German race which this settlement cuts off from the central German state, will ultimately demand the close attention of the League of Nations or will disrupt the new framework of Europe. The purely racial question is not the only one involved. It is complicated by economic and industrial considerations which will undoubtedly become prominent with the growth of the European Labour movement. The whole population, for instance, of the ceded German districts both east and west, non-German as well as German, has shared in a highly developed insurance system under the German Empire. Much of this population has been ceded to less highly organised states, and it may not require the influence even of German agitators to produce among non-Germans as well as Germans a demand for reincorporation in the industrial system to which they have hitherto all their lives subscribed. With Germany a working partner within the League of Nations, these problems may be faced with confidence and peacefully solved. With Germany outside the League of Nations and working underground in her own interest to overthrow its settlements, these problems may commit the democracy of this country to unexpected calls for the discharge of their territorial guarantee of the new European states.*

Similar considerations apply to the arrangements for giving the coal of the Saar Valley to France. It is absolutely right and necessary that France should command the

* See Note A at end of this article.

The Peace of Versailles

full use of this coal until her own mines are restored. But the provisions inserted for this purpose may lead to a traffic in human beings as well as coal, which the public opinion of this country will never support.* It is stipulated, for instance, that if at the end of fifteen years the inhabitants vote by plebiscite for return to Germany, Germany must pay again the full value of the mines in gold within six months, or the district with its inhabitants will pass for ever to France. Supposing Germany declares that she will not pay and takes her stand upon the human rights of her nationals in the Saar district ? This is another problem which need not disturb the peace if the League of Nations can take in Germany as working partner and face the question before it becomes acute. On any other terms, however, the Saar Valley may become on a small scale an Alsace-Lorraine with democratic sympathies turning strongly against the pledges of the League to France.

The question of disarmament contains many problems of the same sort. The German army is rigorously cut down by measures which affect even the *personnel* of the forest service, the customs and the police. Pumpernickel is not to raise a new policeman without the cognizance of the League. The question how such provisions can be enforced without continuous interference in German affairs is serious enough ; but it is less important than the fact that Germany's many neighbours are in no way bound to parallel reductions of the large armies which they are continuing to raise. We have said already that Germany's past justifies the severest military precautions for a number of years ; but ultimately the question will come up for settlement. There is nothing in the provisions of the Covenant regarding disarmament † which corresponds exactly with the fourth of President Wilson's Fourteen Points, that "adequate guarantees" would be "given and taken" on this subject. To point this out is not to

* Since this was written, the clause has been modified. See Note B.

† See Note C.

The Terms Imposed on Germany

deny that Germany's eastern and south-eastern neighbours may have excellent reasons for maintaining their armies and for demanding further supplies of munitions, as they are said to be doing now. But there must obviously be some limit to the disproportion enforced by the League between Germany's armaments and those of everybody else ; and this is yet another question in which the partnership of Germany within the League appears to be the only possible alternative to a struggle which will break the League in two.

There are other provisions in the terms of peace which, if traced into the future, point the same conclusion with equal force. Owing to the two strains which it combines, to the defects of the method by which it was framed, and above all to the condition of Europe at the present time, it will itself bequeath to us a legacy of problems—some, the old problems untouched ; some, the old problems in a new and embittered form—which will require for their solution a broader statesmanship than is possible at Paris this spring. The peace gives us a new framework, it is true ; but for the present it bases the security of that framework on a balance of forces which cannot possibly endure. It also gives us the League of Nations ; but avoids the crucial question of how the League is to evolve from its present artificial and insufficient basis to one in character with the real play of forces in the world.

Its paramount deficiency lies, in fact, precisely in this—that it does not (and could not to-day) make full allowance for the moral factors which give each nation power according to its deserts and forbid a nation to live on artificial power by holding other nations to less than their deserts. A settlement which excludes two hundred millions of the population of Europe, in large part the most able and industrious, must ultimately be extended to embrace those other millions or split Europe into the old embittered camps. Germany and Russia, when Russia achieves some stable government, must be embraced within the League

The Peace of Versailles

of Nations before long, or their energies will concentrate against it and ultimately make its aspirations unattainable. The most pressing problem left open by the Peace is therefore that of the process by which Germany may secure admission to the Council of the League. If Germany can be made a genuine partner, Russia will follow in due course. If Germany cannot be made a genuine partner, she will form an opposition with Russia which at some time and in some way will shatter to bits the promise of the League and this settlement.

IV. THE NEXT STEP

THREE are thus two latent dangers in the character of the Peace and in the present state of public opinion regarding it. On the one hand, the lower strain composing it has given us a series of provisions which create too artificial a balance of power to serve as a basis of permanent peace. There is always a danger lest the old Adam of the eighteenth and nineteenth centuries should pervert the vision and strangle the promise of the twentieth ; and certain types of mind revert inveterately to the assumption, which the whole course of history disproves, that peoples can be kept up or kept down, irrespective of their real character and deserts, by diplomatic expedients and the crude use of force. On the other hand, and in violent contrast to the provisions just described, the Covenant pledges us to cast international relations in a new mould, and to exorcise the devils of covetousness and lust of power which plunged Europe into chaos four years ago. Democracy is thus encouraged to assume that the world henceforth will be settled in secure and restoring peace, and that armaments and military criterions will be nightmares of the past. Humanity is desperately prone to believe that it can ride two horses at once ; and the allied democracies, having satiated their righteous desire for all that they can take

The Next Step

of Germany's estate, may only too easily settle down to the theory that the aspirations of the League of Nations are realised in fact.

But obviously this will not do. The Powers which at present constitute the League must be prepared to carry out all the implications of their new profession of faith; or they must realise that Europe is where it was in 1815 and 1871, and abandon the Covenant as a comfortable but delusive dream.

The next step necessary, when the Peace has come into effect, is therefore to prepare the way for the entry of Germany and (when stable government is re-established there) of Russia into the League. To do this the policy of the Great Powers must be such as to offer hope and scope to both those peoples proportionate to their number and capacity within the circle of the League. There is no other way to a lasting settlement.

As they stand, the provisions of the Covenant on this subject may mean well or ill. Article 1 enacts that "any fully self-governing State, Dominion or Colony" may become a member of the League "if its admission is agreed to by two-thirds of the Assembly." Germany therefore must persuade two-thirds of her late enemies to support her claims before she can achieve the status of even Siam or Salvador. Admission to the Council, which is the only place for a Great Power, is even harder to secure; for it depends upon the recommendation of the existing Council, provided a majority of the Assembly approve. There is obviously no undertaking in these terms; they amount in practice to an empty declaration that Germany's admission to the League is in the discretion of its present Council. She has no security other than the favour of its members—all now her enemies—who must presumably be unanimous. This is no security at all.

We have sought to show in the preceding section how closely the question of admission to the League affects the future of the present settlement. It is in our opinion

The Peace of Versailles

the supreme question and must be faced betimes, not only out of regard for the future, but in fulfilment of the spirit in which we fought and won. The tradition of the British Commonwealth is to be as magnanimous in victory as resolute in fight. Magnanimity in this instance cannot take a material form, for it would be at the expense of others and fundamentally unjust. There is an overwhelming determination in this country to make Germany repair to the uttermost farthing obtainable the ravages which she inflicted on other peoples—more particularly on Belgium, Serbia and France. But the question of her admission to the League does not touch this determination in any sense. The magnanimity which should prompt it is not injustice to our friends but breadth of vision and honourable regard for the spirit of the engagements on which Germany laid down her arms. The casuist may prove to his own satisfaction in a thousand different ways that our engagements did not touch this question at any point. In the letter, they did not. But again and again our statesmen have declared that their quarrel was with the German Government, and not with the German people. Again and again they have encouraged the German people to believe that Germany had only to become a democracy and we would accept her change of heart. “Germany,” said Mr. Lloyd George in his declaration of our war aims on January 5, 1918, “has occupied a great position in the world. It is not our wish or intention to question or destroy that position for the future, but rather to turn her aside from hopes and schemes of military domination, and to see her devote all her strength to the great beneficent tasks of the world.” “We have no jealousy of German greatness,” said President Wilson on January 8, 1918, in the speech in which he set forth the Fourteen Points, “and there is nothing in this programme that impairs it. . . . We do not wish to injure her or to block in any way her legitimate influence or power. We do not wish to fight her either with arms or with hostile arrangements of trade,

The Next Step

if she is willing to associate herself with us and the other peace-loving nations of the world in covenants of justice and law and fair dealing."

Public opinion is not yet sufficiently informed to be more than a blind guide in matters of this kind. It is rightly set on exacting full retribution from Germany, and it has temporarily lost its vision, for the representatives it chose for this Parliament have given it no help. Popular feeling in Germany in 1866 supported the military leaders in their desire to penalise and humiliate Austria ; Bismarck resisted it and made possible the reconciliation of the German peoples within four years of the war. Germany is now paying heavily for the fact that his vision in dealing with his own people was of a different order to his vision in dealing five years later with France. The parallels are not exact, but the moral applies nevertheless. It shows how great a responsibility rests on statesmanship both to take and to teach long views. Our politicians are ready enough to inculcate long views when these suggest a relaxation of effort or the needlessness of sacrifice. The comfortable side of the Covenant of the League of Nations is widely preached and loudly acclaimed ; but the reverse side of that doctrine—our responsibility, for instance, for the new frontiers which we have made—is not so widely preached, and public opinion has little help in grasping its gravity and extent. Public opinion has also been encouraged to put its demands for reparation inordinately high ; but the difficulties besetting the question are not so widely pointed out. This method leads straight to an even more dubious situation than that which we occupied before the war ; it commits us to demands and engagements of which we do not realise the scope, and which, when they are questioned, we may not be in a position to enforce.

A mist of passion at present obscures the question of "making Germany pay," and prompts the idea that every member of the German race, including those who are but children now, must be made to pay and continue paying

The Peace of Versailles

till the whole debt of the war is wiped out. A simple parallel may perhaps illustrate the impossibility of this idea. If a great Union were to proclaim a strike which in the eyes of the nation as a whole had no sufficient cause, it would inflict both suffering and damage on the rest of the community ; but no one would suggest, when the strike was over, that every member of that Union and his children after him should be punished by protracted exactions of the greater part of their livelihood until the whole cost of the strike to other members of the community had been made good. Apart from the justice of such a course, we all know that its only practical consequence would be to promote another strike.

The time must come soon for giving illusions up. Whoever may be blamed for the present state of opinion, it is not our people themselves. They have had but doubtful guidance in such matters both during the last election and since it. But their instinct and their vision respond infallibly to a true appeal ; and their support is certain, when that appeal is made, for the far-sighted and magnanimous course. That, indeed, is their tradition, the tradition on which the whole vast fabric of the British Commonwealth has, step by step, been built up ; and they need but look back to their last war for guidance in their own school of statesmanship. Magnanimity was not wise or possible in South Africa until the surrender of our then enemies was complete and until a short period of years had allowed the habit and the bitterness of hostilities to lose their keener edge. But after four years our statesmen took the magnanimous course. It is urged against this that Germany herself would have followed a very different principle. Are we to be taught by Germany, whose statesmanship has brought the German Empire in ruins to the ground, or by the proved and infinitely greater example of our own past ?

The responsibility which lies on us lies equally on the United States. Their political tradition, and their power

The Next Step

to spread it, is equal to ours. The two great English-speaking Commonwealths have this issue, and with it the future of the Peace, in their hands.

The great Roman epic tells how the first founder of Rome went down into the underworld to learn the future of his race. Led by old Anchises, he passed through all the precincts of hell, and gazed upon the shades of those that should one day build the fortunes of Imperial Rome. And when all this was seen, he came at last to the Twin Gates of Sleep, whence issue the dreams of mankind. One gate was wrought of simple horn, without glitter or ornament; and through it the wise shades sent forth honest dreams that should guide men's steps aright. The other gate was wrought of ivory, with polished traceries of dazzling white; but through it the darker shades of the past sent forth false visions to tempt men's steps astray.

Dreams from both gates have floated over the makers of the Peace of Versailles. It lies with us and with the American Commonwealth to say which dreams shall prevail.

The Peace of Versailles

NOTE A.

Tenth Article of the Covenant of the League of Nations.

Article X.—The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

NOTE B.

1. Paragraphs relating to the Saar Valley in the Official Summary of the Treaty.

In compensation for the destruction of coal mines in Northern France and as payment on account of reparation, Germany cedes to France full ownership of the coal mines of the Saar Basin, with their subsidiaries, accessories, and facilities. Their value will be estimated by the Reparation Commission and credited against that account. The French rights will be governed by German law in force at the Armistice, excepting war legislation, France replacing the present owners, whom Germany undertakes to indemnify. France will continue to furnish the present proportion of coal for local needs, and contribute in just proportion to local taxes. The basin extends from the frontier of Lorraine as re-annexed to France north as far as St. Wendel, including on the west the valley of the Saar as far as Saarholzbach and on the east the town of Homburg.

In order to secure the rights and welfare of the population and guarantee to France entire freedom in working the mines, the territory will be governed by a Commission appointed by the League of Nations, and consisting of five members, one French, one a native inhabitant of the Saar, and three representing three different countries other than France and Germany. The League will appoint a member of the Commission as Chairman, to act as executive of the Commission. The Commission will have all powers of government formerly belonging to the German Empire, Prussia, and Bavaria; will administer the railroads and other public services, and have full power to interpret the Treaty clauses. The local courts will continue, but subject to the Commission. Existing German legislation will remain the basis of the law, but the Commission may make modifications after consulting a local representative assembly which it will organise. It will have the taxing power, but for local purposes only; new taxes must be

The Next Step

approved by this assembly. Labour Legislation will consider the wishes of the local labour organisations and the labour programme of the League. French and other labour may be freely utilised, the former being free to belong to French unions.

There will be no military service, but only a local gendarmerie to preserve order. The people will preserve their local assemblies, religious liberties, schools, and language; but may vote only for local assemblies. They will keep their present nationality, except so far as individuals may change it. Those wishing to leave will have every facility with respect to their property. The territory will form part of the French customs system, with no export tax on coal and metallurgical products going to Germany, nor on German products for the Basin, and for five years no import duties on products of the Basin going to Germany or German products coming into the Basin for local consumption. French money may circulate without restriction.

After fifteen years a plebiscite will be held by communes to ascertain the desires of the population as to continuance of the existing *régime* under the League of Nations, union with France, or union with Germany. The right to vote will belong to all inhabitants over twenty resident therein at the signature. On the opinion thus expressed the League will decide the ultimate sovereignty. In any portion restored to Germany the German Government must buy out the French mines at an appraised valuation; if the price is not paid within six months thereafter, this portion passes finally to France. If Germany buys back the mines, the League will determine how much of the coal shall go to France.

(2) Extract from M. Clemenceau's reply on behalf of the Allied Governments (May 24) to the German counter-proposals

In order to remove any possibility of misunderstanding, and in order to avoid the difficulties which you apprehend as to Germany's ability to effect the payment in gold contemplated in this clause, the Allied and Associated Governments have decided that some alteration is desirable. They propose therefore to substitute for the last paragraph of the said clause the following:—

“The obligation of Germany to make such payment shall be taken into account by the Reparation Commission and for the purpose of this payment Germany may create a prior charge upon her assets or revenues upon such detailed terms as shall be agreed to by the Reparation Commission. If, nevertheless, Germany, after a period of one year from the date on which the payment becomes due, shall not have effected the said payment the Reparation

The Peace of Versailles

Commission shall do so in accordance with such instructions as may be given by the League of Nations, and if necessary, by liquidating that portion of the mines which is in question."

NOTE C

Eighth Article of the Covenant of the League of Nations

Article VIII.—The Members of the League recognise that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

The Council, taking account of the geographical situation and circumstances of each Member of the League, shall formulate plans for such reduction for the consideration and action of the several Governments.

Such plans shall be subject to reconsideration and revision at least every ten years.

After these plans shall have been adopted by the several Governments, the limits of armaments therein fixed shall not be exceeded without the concurrence of the Council.

The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety.

The Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military and naval programmes, and the condition of such of their industries as are adaptable to war-like purposes.

FINANCE AND REPARATION

I

THE view has always been held in some quarters that the end of the war would see a great and immediate development of industry and trade and very considerable prosperity, at any rate for a limited period. That is not our opinion. The resumption of normal conditions can only be gradual. Credit and confidence are now largely lacking, and their restoration to pre-war standards must necessarily in any circumstances be a matter of time, and dependent on the gradual readjustment of all the political, economic, financial and moral disharmonies caused by the war, and also on the reaccumulation of some at any rate of the vast amount of capital which has been destroyed. It is certain that whatever we do, European standards of living have for some time got to be lower than before the war. Few people in England realise the terrible conditions of life in very large parts of Europe where everything is lacking, even food, and where industries cannot get started because they have not even the raw materials with which to begin. Even in the countries near us, like Belgium, we do not realise the enormous obstacles which prevent industry getting thoroughly under way. Belgium has lost her markets ; most of her neighbours have little purchasing power, currency and exchanges are depreciated ; prices are very high, she cannot compete against American and Japanese products. The same is true, more or less, of all nations, including our own, and many, of course,

Finance and Reparation

are in a vastly worse condition even than Belgium. We all of us are dependent on the prosperity of each other, and we must all go ahead hand in hand together. If our neighbours are poverty-stricken, we shall be poor.

Consider for a moment the difficulties of the other great European Powers. France has lost between one and two million of her best men. A considerable part of her industry is for the time being ruined. Her coal mines are useless for some years. Moreover, French investors were either not so far-sighted or so lucky as British investors. While the British invested, in the main, in the New World, the French investor lent his money to European Governments, to Russia, to Austria-Hungary, to Turkey, or to the Balkan States. In consequence, France, which before the war drew an income from abroad of perhaps £120,000,000 a year, will now draw practically nothing, at any rate for some years. Again, France exported particularly articles of luxury of all kinds. These are the trades which will be peculiarly hit by the poverty of Europe. France has also great difficulties of internal finance. What she must look forward to as her normal annual expenditure is very far from covered by her taxation. Her currency has increased nearly eight times above what it was at the beginning of the war; prices are vastly higher than in England, and it is probable that the actual depreciation of the franc is as yet far from expressed in the rate of exchange, which at the moment of writing is over 31 francs to the £. If this is so, the export of goods from France will be greatly handicapped. Added to all this, France is faced with an external debt of about £900,000,000 owing to us and to the United States.

As against this, France has, of course, gained great wealth by the acquisition of Alsace-Lorraine. The economic effect, however, will not be felt immediately, and meanwhile it is imperative for French credit that her Government should pursue a stronger and a more decided policy of internal financial reform.

Finance and Reparation

Take again the position of Italy. Of all European countries, Italy has to import the greatest proportion of raw materials. She has no coal, and few other raw materials. The resources which she possessed for the purpose of balancing her trade were the export of manufactured articles, the money remitted home yearly by the very large number of her emigrants, and the expenditure in Italy of tourists. All these sources of wealth have either disappeared or been greatly diminished. Take as an example the silk trade, one of the most important of Italian industries. What markets is Italy now to export to? The Central Empires will be too poverty-stricken to buy such articles of luxury in great quantities, and, on the other hand, the markets of the New World, and particularly of the United States, have been captured by Japanese competition. Similarly, the important Italian trade in early fruits and vegetables to Central Europe is likely to be very badly hit by the diminished purchasing power of the enemy countries. Even the famous macaroni is now, since the war, manufactured in Canada and the United States.

As to emigration, the war has brought a changed world. Germany, to which normally a large number of Italian emigrants went every year, will now have in all probability to export her own population instead of receiving the population of others. German emigration is likely to compete with Italian in other parts of the world, and it is possible that countries like the United States will impose greater restrictions than hitherto on indiscriminate immigration.

Italy also is loaded with a vast external debt of about £700,000,000. How can she pay the interest on this and also buy her raw materials? In 1918 her imports were about ten times as great as her exports, and while Peace will bring, no doubt, a reduction in imports, her position is one of the greatest difficulty.

In the main, German conditions are not dissimilar.

Finance and Reparation

It is true that during the war Germany has incurred no great foreign debt, but that deficiency will be supplied, and on a scale far greater than in the case of any other nation, by the Reparation terms of the Treaty of Peace. It is true, also, that her factories are intact. Nevertheless she is bare of raw materials, and her whole financial and economic structure is being strained to the breaking point. Her currency is in vast superfluity ; the mark is now worth only between 3d. and 4d. instead of 1s. ; prices are very high ; her workmen are demoralised and debilitated by the conditions of war and the constant underfeeding of four years. It is impossible to see how internal bankruptcy can be avoided, and a general scaling down of debts. It is equally difficult to see what effect this would have on the stability of her great banking institutions. Germany can only get to work again if she can obtain large credits from abroad for the purchase of raw materials. Unless she gets to work she cannot possibly pay the indemnities demanded of her. Members of Parliament who demand that she shall pay the whole cost of the war, and regard the Reparation Terms as lenient, are invited to suggest some solution of this dilemma.

The economic conditions of all the smaller countries of Europe to the east and south-east are worse even than those of Western Europe. Famine and distress are more acute. They have more chaotic currencies and greater political troubles. Several of them are conducting minor wars amongst themselves. All of them are practically without means of purchasing raw materials. The same state of affairs, to a still greater degree of acuteness, exists in Russia. In all these countries the future depends in the main on political stability and peace. They are mainly agricultural, and they can quickly recuperate, provided they have peace, and provided they are supplied upon credit with the first necessities of existence and of agricultural production. There are some large industries, it is true, in Poland and Czecho-Slovakia, which offer difficult

Finance and Reparation

problems, but they are problems which should be capable of solution through the assistance of friendly Powers, such as the British Empire and the United States.

The position of Great Britain is better than that of any other European Power. Our troubles are of the same general character, but they have not reached the same intensity. Our selfish interests might tempt us to ignore the Continent of Europe, and find a market for all our exports in the New World. But such a policy would be impracticable. It is essential that we should trade with Europe, and at present, if we trade we must trade on credit. We ourselves have a large adverse balance of trade. We are not therefore in reality in a position to give credit, and can do so only at some risk. To some extent at any rate we must run that risk and rely on ourselves obtaining the additional credit we require in consequence from the United States. Our power to come successfully through the ordeal of the next few years will depend on our capacity to export, and that will depend in turn on our costs of production comparing favourably with those of our competitors. To balance our foreign trade and regain a stable exchange is of vital importance. We can pull through, but only by the exercise of the greatest possible efficiency, hard work, and economy by all classes.

As against a Europe impoverished and in the deepest distress, stands the United States with greater wealth and greater resources than ever before in her history. It is impossible that these two continents, the one overflowing with materials of all kinds, the other destitute and famishing for want of them, can face each other without finding somehow or other some plan of mutual co-operation. Europe needs the assistance of the United States, but the United States also needs the assistance of Europe. Unless Europe is given credit it is impossible for her to buy the exports which the United States desires to sell. It is for the United States to devise whatever methods most recommend themselves for giving the necessary

Finance and Reparation

credit to Europe, just as, in past years, Europe has built up the United States by the same means.

As the unparalleled situation, which is not yet fully developed, reveals itself in complete clearness, it will probably be found that the problem is too great to be solved by private credit alone. It must be remembered that the increasing population of the great industrial states of Europe has only been supported by a highly developed industrial organisation working at full-speed and by a complicated system of international interchange of goods. That organisation and that system lie smashed and wrecked. It is questionable with what speed they can be restored. Even if credit is supplied in sufficient quantity, there are many other obstacles to a speedy recovery. A thousand and one readjustments require to be made before the great machine can revolve again smoothly and rapidly. Meanwhile how is the population to live? Germany, for instance, could provide a decent standard of life for her large population and absorb annually an increase of something like a million souls only by a highly intensive industrial system working at full speed. How can this population be maintained with the machine at half or quarter speed? The same problem, in a different degree perhaps, faces France, Italy and Belgium. An equilibrium must be found between the numbers of the population and the means of subsistence. In Russia it has been found, it appears, partly by starvation, partly by a drastic change in occupation. In other words, the urban population has somehow been absorbed by the country and found there at least a bare means of subsistence.

How is this equilibrium to be reached in the rest of Europe? On the one hand by restoring production as soon as possible; on the other by emigration, or, if that is not possible, by drastic changes, either in occupation or in the standard of life, so that the means of subsistence available may at least keep the people alive. It is clear that if the greatest suffering and unemployment, and in consequence

Finance and Reparation

the greatest social disorders are to be avoided, every means must be utilised to get the wheels of industry moving.

The first and indispensable condition is the supply of raw materials. Europe has lost its working capital. It must be supplied to her and supplied on credit. The needs are on so vast a scale that private institutions such as banks, exporting corporations and so forth may not be able to cope with them. Certainly our reduced financial strength makes that more than probable in England. In the United States resources are so vast that private credit may possibly do all that is necessary. If so, so much the better. But if not, and if Government assistance can alone save Europe from sinking into the abyss, Congress, we believe, will not hesitate to authorise the United States Government to lend the assistance required. The interests of the whole world, and those of America included, are so profoundly involved that it is impossible to doubt it.

Nevertheless, while Europe must be helped over the first stile, let us not forget that a country's wealth consists in its own resources and its own labour. For us to borrow resources from another country merely adds to our obligations, which we must some day redeem. That countries already so vastly indebted to America should get still more deeply into debt may be necessary, but is unfortunate. The huge indebtedness of Government to Government, indebtedness which at best can be redeemed only over many, many years, is unhealthy and undesirable. Only absolute necessity can justify its increase.

In the main the European countries impoverished by the war must work out their own salvation. They can no more be restored by charity than can an individual. The United States and other countries enriched by the war can and should lend them credit. But in the end it is only by their own sacrifices and their own efforts that they will pull themselves out of the mire.

Finance and Reparation

II

THE peoples of Britain, France, and Belgium have been led to hope that many of their financial and economic troubles will be solved by the vast indemnity which is to be obtained from Germany. Members of Parliament in England have, in their innocence, and misled by their betters, given pledges which cannot possibly be fulfilled, and unfortunately persist in giving vent to opinions and exciting hopes which are inevitably doomed to disappointment.

Germany has undertaken to pay reparation for the damages she has so criminally caused, and it is mere justice she should pay all that she has undertaken. Over a long period of years she may be able to do so. What she can pay per annum twenty years hence no man can say. What she can pay in the next five will be limited by the extent of her recovery, and in any case cannot be large enough very seriously to alleviate the great financial problems, which within that period the nations of Western Europe must have solved. What are in detail the Reparation Terms in the Peace Treaty it is not intended to discuss here. Nor is it of consequence, since the course of economic events in these next few years will be determined by facts which are in substance unalterable. Germany will not be the Germany of 1914. With Alsace Lorraine, Upper Silesia and the Saar Valley lost to her, with her mercantile marine and her foreign securities gone, with a disordered currency, a vastly depreciated exchange, financial burdens which she can hardly meet in full, with the population demoralised by four years of strain and underfeeding, with the most grave and pressing political problems to face, and with her markets gone, her producing power and her export capacity must be for the present gravely diminished. France and Italy do not expect to balance their external trade for two or three or four years. It is out of any surplus on her foreign

Finance and Reparation

balance of trade that Germany can alone—apart from any immediately available assets—pay an indemnity. Why should Germany be able to do the miracle that France and Italy cannot do, and not only balance her trade, but have great surpluses in addition to pay over to her enemies? Before the war her imports exceeded her exports by about £70,000,000. The deficit was made good, and no doubt very considerably more than made good, by “invisible” exports—e.g., freight, interest and commissions. But these invisible exports will have almost entirely disappeared. Germany therefore—and a very different Germany—must turn an adverse balance of £70,000,000, which existed at the time of her greatest prosperity, into a favourable balance before she can pay anything over and above her liquid assets. What she can pay in future will depend on how large that favourable balance will be. Let us, if we are wise, moderate our expectations. If, as soon as peace is declared, Germany is given assistance and credit, she can pay us something, and should pay all she can. But what she can pay in the next five years must be, we repeat, limited. If, on the other hand, we take away from her all her liquid assets, and all her working capital, if, furthermore, she is bound in future to make yearly payments to an amount which will in any reasonable human expectation exceed her capacity, then no one outside a lunatic asylum will lend her money or credit, and she will not recover sufficiently to pay anything.

Those who advocate the simple and attractive solution that Germany should pay us, and everybody else too, the whole cost of the war—may possibly have forgotten to examine the question, what form she would pay in. If they ventured into detail to that extent, they might ultimately grasp the truth that, apart from any existing assets of value outside Germany, she can pay only in exports, and the additional important truth that Germany's exports are in the main of a character which compete especially with British exports. A vast indemnity the great bulk of which

Finance and Reparation

must go to other countries, will, therefore, act as a forcing house to German exports to the detriment of British trade. The German will have to live hard, eschew all comforts, achieve the utmost heights of efficiency and organisation in order to pay many nations what he owes them, and in so doing will incidentally drive British trade out of the market or compel us to live after the same manner.

While, therefore, justice demands that the German shall in the course of time redeem his bond, he cannot in the next few years solve by the sweat of *his* brow our financial economic problems. It is by the sweat of *our own* brows that we must do so.

III

WHAT, then, is the German's bond? On January 8, 1918, President Wilson, in a formal message to Congress, enunciated certain principles upon which he submitted that the war should be ended. In Articles VII., VIII., and XI. of the Fourteen Points contained in that message he stipulated that the invaded territories of Belgium, France, Roumania, Serbia, and Montenegro must not only be evacuated, but "restored."

On October 4 the German Government accepted these fourteen points as a basis for negotiations for an armistice, which they asked the President to request the Allies to open.

On November 5 the President communicated to Germany a Note drafted by the Allied Governments assembled at Versailles, in which they declared "their willingness to make peace with the Government of Germany on the terms of peace laid down in the President's address to Congress of January 8, 1918," subject to two qualifications, the second of which was stated as follows:—*On January 8, 1918, the President declared that the invaded territories must be restored as well as evacuated and made free. The Allied Governments*

Finance and Reparation

feel that no doubt ought to be allowed to exist as to what this provision implies. By it they understand that compensation will be made by Germany for all damage done to the civilian population of the Allies and to their property by the aggression of Germany by land, by sea, and from the air.

It is important to note that these words were drafted by the Allied Governments in Versailles, and not by President Wilson in Washington.

These terms govern the question of reparation. All demands on Germany must clearly in honour fall within them. Arguments are used even in responsible quarters to the effect that, since the Fourteen Points did not mention either Reparation or Indemnity, the Allies are at liberty to make what claims they like in respect of either. We do not share this view. From the moral, if not the legal, point of view, it is excluded in our view by the subsequent correspondence quoted above. Else what reliance could be placed by the Germans on the terms to which they had agreed, if a matter of the vital nature of an unlimited indemnity could be imported later. Whether the Allied authorities were wise or unwise when in the first days of November they agreed at Versailles to peace on these terms, whether, had they known of the full extent of the German *débâcle*, they would have framed their demands otherwise, all these questions are beside the mark. It was on these terms and in reliance on their fulfilment that the German nation laid down its arms.

What then do they imply to the plain man? The President demanded that Germany should "restore" as well as evacuate the invaded territories of Belgium, France, Roumania, Serbia, and Montenegro. The Allies wished to make clear what this provision meant. They knew that other countries which had not been invaded had also suffered similar kinds of damage from Germany's aggression, that England had suffered from air raids, and far more important, that the British Empire in particular had suffered enormous damage from the illegitimate submarine

Finance and Reparation

campaign, which was especially directed against civilian life and property. It was clearly necessary and justifiable to extend the President's definition of restoration of invaded territories to cover these cases. Germany was therefore to pay compensation for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, or from the air.

Clearly Germany must pay for physical damage to life or property inflicted on civilians ; clearly she can be called on to pay for the damage direct and indirect to civilians and their property due to the illegitimate submarine campaign, or in other words, for much more in certain directions than as it appears is actually demanded of her. But can we ask her to pay compensation arising out of her soldiers killing or wounding our soldiers ? How does that come within the terms ? Can we demand from her, as it appears we do, from the published Summary of the Treaty of Peace, the cost of pensions to widows and orphans and to the wounded and crippled soldiers and sailors themselves ? How is that " damage done to the civilian population of the Allies and their property ? " Is it on the ground that some of the men who earned the war pensions are no longer soldiers or sailors ? That argument seems to us groundless, for in that case the word " civilian " has no meaning, and would exclude no one.

If the soldier's pension is damage, why not the soldier's pay ? And if that, why not the cost of shells and guns, and, in fact, every expense arising out of the cost of the war ? It might be urged that we were entitled to say that Germany should pay all such expenses. Certainly we were. But we did not say it. It would be ridiculous, if we really intended to make so wholesale and definite a claim to have done so by merely extending and defining President Wilson's demand for the restoration of invaded territories. If we were claiming the whole cost of the war, the most inexperienced draftsman could in two minutes have framed words which would have admitted of no dispute. We

Finance and Reparation

did not do so, and this meaning cannot, in our opinion, honourably be read into the words we used.

It is imperative in our view that the Government should make public the grounds on which these claims are based and the reasons why they were made in this form, and so convince the nation that in making them it has justice and honour on its side. So far as the sum to be exacted from Germany is concerned, the matter is of small importance, and might be held to be one of form only, since it would probably be easy to claim from Germany in strict accordance with the terms she has accepted all and more than all she can possibly pay. But on other grounds its importance cannot be exaggerated. We have been fighting above all to vindicate the sanctity of treaties. In peace our first duty is to sustain this principle by our example.

THE LEAGUE OF NATIONS AND THE BRITISH COMMONWEALTH

I. THE NEW CONFESSION OF FAITH

IT is now generally recognised that the clauses which embody the Covenant of the League of Nations are a vital and indeed an indispensable part of the Peace Treaty. For their inclusion we have largely the initiative and persistence of President Wilson to thank. As Disraeli remarked, a premature reputation is a dangerous incubus to carry, and the President had the misfortune to set out on his task amid thunders of applause. Never in history has a suffering world so loudly acclaimed one living man as born to set the crooked straight. The President said things which ordinary men deep in their souls wanted to hear, and said them in language that appealed to them. And before he had reached Paris he knew that his words had raised expectations which it lay not in human powers to fulfil. It may even be conjectured that, had he known a year ago what he now knows of European affairs, he would never have published the fourteen points of January 8 or the five supplementary points of September 27. It is quite certain that he would never have entertained the German offer to make them the basis of the whole elaborate structure of the settlement. In some respects they express principles which are no principles at all. In others the principles expressed are often in conflict when applied to the complicated facts. The nineteen points are

The New Confession of Faith

essentially American—American in their reckless idealism. The mind of a nation was never more fully interpreted by their head. Americans could not have felt these things, nor their President have said them, had they known better the ground with which they were dealing. This want of experience is, of course, a defect, and yet one which has done great service to mankind. For in this defective world defects have a way of correcting each other. A too great knowledge of detail obscures the wider aspects of truth, and kills the sense by which they are seen. Milton, Shelley or Mazzini could never have written as they wrote with all the experience of Strafford, Castlereagh or Cavour. And yet the world would be worse than it is if their intuitions had never been uttered. While much that they said could never be realised, their effect on practical results has been immeasurable. And so it has been with President Wilson's points. No member of the Conference would deny that they have been a dominating factor in moulding practical arrangements. Indeed, there are cases in which conventions prepared in advance last year were at once recast when the President's points were officially accepted.

Again, it may be said that, in several of his most important points, the President was merely preaching what the British Commonwealth had already practised. The mandatory principle and the freedom of the seas are notable cases. Experience is the only mine of precept, but the gold is not always refined by the miner. No practical statesman in England would have had the courage to state these principles in the crude absolute form which alone made them dynamic. In any less dogmatic shape they would scarcely have penetrated masses of minds with the force of a popular creed to which practical statesmen were obliged to respond as best they might. It was in truth the sheer inexperience of Americans and their spokesman which made it possible for the President to redeem the councils of Europe from inveterate opportunism. But even so they would not have succeeded if their words had

. The League of Nations

not appealed to ideals latent in British minds and also in that of the foremost statesman of our great Ally.

The Americans and their President, however, scarcely realised how the principles they urged would react on American life. But it is to their lasting credit that in Paris, at any rate, they have squarely faced implications which only came home to them there, especially in framing the League of Nations. From a world in anguish the cry went up that not only peace should be made, but that nations must also be pledged never again to inflict on each other this agony of war. In America ex-President Taft first gave it shape and popularised the notion under the name of the League of Nations. The endorsement of President Wilson himself was needed to raise it to the plane of practical politics. In the last and most important of his famous fourteen points he stipulated that "a general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike."

It is not unlikely that compacts made simply within these terms, instead of maintaining peace, would have been as fruitful in wars as the old balance of power itself. In the light of experience there is nothing more curious than the widespread faith in the efficacy of mere pacts to hold the various communities of mankind in ordered and stable relations with each other. And when treaties break like threads, and the nations tumble into blood and mire, the whole blame is charged to the perfidy of men. Perfidy there has been and always will be in men, but it is not the whole cause of war. Besides, from the nature of things, pacts which depend on faith alone will not avail to restrain the faithless.

Apart from the lessons of history, it is easy to see why no pact can of itself be trusted to hold great sections of society in stable relations to each other. Pacts when first made are adjusted to the relative size, conditions, and characters

The New Confession of Faith

of the various communities they purpose to bind. But no sooner are they made than all these factors begin to change. Good faith is essential if only to give time for changes in the balance to be seen and measured, and for corresponding changes in the pacts to be made in time. For the greatest of all human needs is growth ; and, so long as there is growth, there is change. Pacts which cannot be changed will sooner or later break ; and if they did not, they would strangle society like the steel guards used to support and protect the growth of a tree. This truth is, indeed, recognised in the document before us, which provides for the reconsideration from time to time of " treaties which have become inapplicable—and . . . of international conditions whose continuance might endanger the peace of the world."

These were the truths with which the American President found himself confronted by British statesmen as soon as he reached Paris. And he listened all the more readily as he found himself speaking to men converted to his principal thesis, that the interests of all men, and not merely those of each state, must be looked to by each as the final criterion in international affairs. It was not enough, he had urged, for the Powers in conference to settle conditions of peace and redraw the plan of human society. If America was to join in that task, it was only on condition that the nations would agree, not only themselves to abide by the covenants made, but also to enforce obedience thereto on all who might break them. To which the statesmen of Europe replied : " We assent, provided always that you recognise that no compacts made here and now in Paris can finally determine our relations to each other. It is not enough that we have come together to make these compacts. They will break of themselves unless we and our successors remain together to readjust them, from year to year, to the changes which every year will bring. If we are to recognise a world interest expressed in these compacts as paramount, the Conference of Paris must be treated as only the first meeting of a world areopagus that must never again be dissolved."

The League of Nations

It was not till the President had reached Europe that all that his doctrines implied for America began to come home to him. But the text of the Covenant proves how firmly he trod the path traced by his own principles, when he saw where they went. The Covenant is, on the part of all the states that subscribe to it, a practical as well as a formal recognition of the principle that every community has a duty larger than that which it owes to itself. Sins of omission have wrought more suffering in the world than sins of commission, and the fact has only been missed because they are by nature less visible. With justice the General Confession ranks the things we have left undone before the things we ought not to have done. This is true no less of peoples than of persons, and truest of all of the peoples who are free. If liberty is freedom to do right, the nations who enjoy it must needs to look to the things they leave undone. For every good thing breeds a kindred defect which, unless watched and amended, corrupts the virtue from which it grows.

It is in the nature of autocracy to widen its scope. The ruler who looks on himself as divinely commissioned to govern by the faith that is in him seeks to extend his power. The mere fact that monarchs are always meddling far afield inclines democracies to regard distant adventures with suspicion. But, apart from this, systems which impose the burden of government on ordinary men tend to direct their minds to domestic affairs. They begin by using their power for the bettering of their own lives. Their Governments are appointed to that end and reflect the temper of the people to whom they are answerable. Lust of power is not the product of freedom, which rather disposes peoples to feel that they have no concern with the fortunes of any but themselves. From this they go on to think that their duty is to themselves and themselves alone. This tendency finds expression in such catch-words as "Each nation for itself," and ends in the maxim, "My country, right or wrong." And hence it is that free nations

The New Confession of Faith

are always endeavouring to draw away from the rest and live their lives apart. They seek to bury their talent in a napkin, denying thereby the profit of its usury to the world.

England herself affords the first and most striking example of this tendency, though her history and position have alike served to counteract it. As the power of the people supplanted that of the Crown, England sought to draw herself aloof from the destinies of Europe. Her insular position and maritime power extended her rule, contrary indeed to her instincts, over multitudes of men unripe for freedom ; and that rule persisted simply because the freedom in her made the system more tolerable to subject peoples than that of the great European autocracies. As with Athens, by a strange but inevitable paradox, freedom imposed Empire upon her. And this Empire, the envy of all that was most powerful in Europe, forbade her to ignore European affairs. For however successful the great despotisms might be in crushing and absorbing their smaller neighbours, they could not be satisfied with, nor secure in, their dominion over Europe as long as England remained free. England has tried to stand aloof, but events have been too strong for her. In the crisis of 1914 the most popular weekly placarded England with the cry, "To Hell with Serbia." Happily, the better mind of the people prevailed in time to avert disaster and shame. But the prevalence and activity of its worse mind in previous decades had made the war inevitable.

England had begotten new nations akin to herself in distant quarters of the globe. In them the virtues and defects of her system were reproduced in exaggerated form. In the greatest of them all, when severed from the parent state, aloofness from the world became a ruling passion, the most sacred maxim of public policy. How obstinate was the conviction that the American Continent had no concern with the affairs of the Old World and the Old World no concern with its affairs may be seen from the fact that even

The League of Nations

now it has been found necessary, as a concession to public opinion in the United States, to insert a special clause in the Covenant of the League of Nations to safeguard the maintenance of the Monroe Doctrine. Standing thus aloof, the United States drew to herself the most virile elements of all Europe. Unfettered by customs and castes, with boundless internal resources, she became by great strides the most powerful nation of the world in wealth as well as in population. The Germans hoped, and indeed believed, that Britain would remain passive while they worked their will on Europe. That America would ever expend one dollar or man for the protection of Serbia, Belgium, or France never came within the margin of their thoughts. For no American ever dreamed of it. Individual Americans, inspired by humane motives, might, of course, contribute through Red Cross and suchlike organisations to mitigate the sufferings of war. But that the American Commonwealth as such should take cognisance of the forces which were gathering to crush the liberties of Europe was in flat contradiction to the primary maxims of American policy. The American Commonwealth existed for the benefit of American citizens, and kept its doors fairly open to anyone who might choose to take shelter within them. That its Government had any concern with the state of the countries from which they came was not to be thought of. And so Germany prepared havoc for her weaker neighbours unheeded by the United States; while British statesmen, watchful of the menace, but unsustained by the consciousness of effective support either from America or from their fellow-citizens in the self-governing Dominions, took no effective steps to shield them.

It is no excuse that the British and American Commonwealths eventually entered the war in time to prevent the absolute extinction of the free states in Europe. The freedom and peace of the world were committed to their hands, and till war was upon them they acted as though they had no concern with anything but the happiness and

The New Confession of Faith

safety of their own citizens. The ruins of civilisation are the price paid for the self-regarding nationalism of two mighty Commonwealths.

Of this self-regarding nationalism the League of Nations is the formal and public renunciation. In this document the accredited spokesmen of Britain and America solemnly recognise the liberties of other than their own citizens as a trust which they cannot neglect or ignore. They are pledged to safeguard the frontiers of states weaker than themselves, to forbid weapons to those who would strike them down, and to provide forces strong enough, if need be, to wrest those weapons from their hands. And all this they pledge themselves to do not merely when blows are aimed, but by continuous watching together with all other states which in any sort enjoy freedom and have the freedom of the world at heart. They are to meet at least once a year to review the relations of all states with each other, and are to establish a perpetual organisation to keep them informed and advised. Together they are pledged to keep the peace of the world, which means to safeguard its freedom. For it is in the ever-recurring menace to freedom that the roots of war lie. Freedom is the goal of human affairs, and peace the by-product of those that seek it. War is the certain doom of a world in which commonwealths are dedicated to no liberties but their own.

In this Covenant Britain and America stand on a footing apart from all the rest, if only by reason of their superior strength. So long as they led their lives apart from each other and the rest of the world no power existed to save Europe from recurring disorders. As the war has shown, the ultimate power to protect the liberties of weaker states lies with them, and where power is there also responsibility rests. The Covenant is for these two vast Commonwealths the renunciation of an out-worn creed, the decisive confession of a new faith.

The League of Nations

II. THE METHOD OF THE CONFERENCE

UNFORTUNATELY the practical purpose which had to be met had been greatly obscured by the form which propaganda for the League of Nations had taken. Suffering mankind had been led to expect the creation of a superstate competent to police the world and restrain nations from flying at each others' throats, much as Britain restrains the multifarious races of India. So the League was to take the form of a Government with a legislature and executive. But the various nations of which suffering humanity is composed were by no means ready to yield the powers by which alone a world Government can enforce its authority. As events were soon to prove, America was least of all prepared to do so. The attempt to fashion a superstate is studiously disclaimed in the able commentary issued by the British Delegates on the final draft. Yet the atmosphere in which they worked was saturated with the idea, which has left its traces on the result. In the first published draft the annual meeting of Great Powers was actually called "the Executive Council." In the final draft the Council is still treated as though it stood to the meeting of all the members in the relation of an executive to a legislature. In the Imperial Conference Sir Wilfrid Laurier was never tired of saying, "This is not a Government, but a conference of Governments with Governments." It is a pity that there was no one in Paris to keep on saying this. For the Covenant is still marked by the traces of a sham government. It will be mainly due to this birthmark if Geneva should share the same fate as The Hague, and perish by neglect.

At Paris we have actually begun to mould international relations by Governments in conference. The question which surpasses all others in importance is whether they are now to be suffered to slip from sight once more into

The Method of the Conference

the old subterranean channels of intrigue. In plain words, are the methods initiated in Paris to be developed or scrapped? It is just as easy to talk of conducting the world's affairs by conference as to talk of popular government. But every practical statesman knows how hard it is to make government popular without making it cease to be government. The thing has largely been done, though far from completely; and the doing of it has mainly been effected by the many trials and many failures of Anglo-Saxon experience. Responsible government is largely the achievement of a race which has slowly felt its way, less by sight than by touch, through countless difficulties to an ideal. The practical realities of freedom have only been attained by avoiding much that was temptingly popular. As Maitland observed, we do not realise now how great an achievement was the practice of government by majority. Primitive assemblies always attempt to restrict decisions to unanimous votes. The practice is fatal to government. It survived in Poland, to the destruction of its liberties. Control which tries to bind too closely is apt to end by chaining itself. And this is pre-eminently true of popular control. The direct election of all public officials transfers the real control to a few irresponsible managers behind the scenes, for the simple reason that the people at large cannot afford the time to control the election. Popular government exists only in so far as the electorate can know who really wields the power, and for that reason its mandates cannot be trusted to more than a limited number of hands. By hard experience we know, also, that there must be unity in government. A large elected executive is a dangerous phantasm, and the same principle applies when we come to the project of settling international relations by the conference of governments face to face. The thing can be done, for we are doing it at Paris; but already the Governments there have found how closely conference has to be limited in order to make decisions possible at all.

In February, 1918, the exigencies of war compelled the

The League of Nations

Great Powers fighting Germany on the Western front to establish at Versailles a Supreme War Council consisting of the Prime Ministers and one other Minister from each Government. The British Government for this purpose was the Imperial War Cabinet, upon which the Dominion Prime Ministers, when present in England, sat. Any one of them might have been admitted to the Supreme War Council as Mr. Lloyd George's colleague, but it does not appear that any of them ever attended in that capacity. Mr. Lloyd George's selections were, of course, determined purely by the exigencies of the war and not by any question of representation. That course was plainly the right one, and was unquestioningly recognised as such by all the Dominion Ministers. It is worth mentioning, however, that all the Dominion Prime Ministers attended in July, in a semi-official capacity. Moreover, on December 3, 1918, a meeting of what was practically the Supreme War Council was held at Downing Street, at which Ministers representing Canada, Australia, South Africa, and Newfoundland, who happened to be in London, were present.

The arrangements for the Peace Conference were naturally settled in the Supreme War Council. The five Great Powers represented on that body had grown so used to conducting the affairs of the war that they scarcely realised at first that negotiations for peace could not be conducted in exactly the same way; so they settled that each of the Great Powers should be represented at Paris by five delegates. The British Plenipotentiaries were to be Mr. Lloyd George, Mr. Balfour, Mr. Bonar Law, and Mr. Barnes (representing Labour). The fifth place was to be filled by a representative of the Dominions or India, changeable at discretion from meeting to meeting.

The Peace Conference was thus to consist of a body of twenty-five. But the moment the conference assembled in Paris this arrangement broke down, and for two reasons. There were twenty-seven Governments represented in Paris, if the British Commonwealth is counted as one; and

The Method of the Conference

thirty-two if the Dominion and Indian Governments are counted separately. (The separate representation of Newfoundland was dropped.) All these Governments were entitled to be heard, and a fresh and different arrangement had to be made in Paris. But in order to understand this arrangement it must be realised that the Dominions wished to appear in two capacities. They desired to assert their status at the conference as separate Governments on the same footing as Belgium, Greece or Brazil. On the other hand, they were anxious to retain their right to appear on the Delegation sent to the Conference by the British Commonwealth as one great Power.

The result is shown in the following extract from the Rules of the Conference :—

The Powers shall be represented by Plenipotentiary Delegates to the number of :—

Five for the United States of America, the British Empire, France, Italy, Japan ;

Three for Belgium, Brazil, Serbia ;

Two for China, Greece, the Hedjaz, Poland, Portugal, Roumania, Siam, the Czecho-Slovak Republic ;

One for Cuba, Guatemala, Hayti, Honduras, Liberia, Nicaragua, Panama ;

One for Bolivia, Ecuador, Peru, Uruguay.

The British Dominions and India shall be represented as follows :—

Two Delegates each for Canada, Australia, South Africa, India (including the Native States) ;

One Delegate for New Zealand ;

Each Delegation shall be entitled to set up a panel, but the number of Plenipotentiaries shall not exceed the figures given above.

The representatives of the Dominions (including Newfoundland) and of India can, moreover, be included in the representation of the British Empire by means of the panel system.

The most curious and significant feature of this document is that the only Government which does not figure in it is that of the United Kingdom. And when British policy had to be settled in Paris, it was in fact settled by the British Empire Delegation, on which the Dominions and India were represented.

The League of Nations

Such was the constitution of the Conference. It was plain, however, that no progress in delicate and intricate negotiations was possible in a body where seventy voices could make themselves heard and agreement had to be secured between no less than thirty-two units. As in war, so in peace, the decisions on the main outlines of the settlement had to be made by the five Great Powers, who, apart from other considerations, could speak for populations larger than all the others added together—vastly larger if the huge inorganic masses of China are excepted.

The five Great Powers realised at once that, when every voice had been heard, decisions could only be reached by discussions between themselves ; and they realised also that decisions would not be reached within measurable time if twenty-five voices had to be listened to in their councils. The result was that the council of twenty-five projected by the Supreme War Council never met at all. The Supreme War Council resumed its sittings under the new name of the Council of Ten. The spokesmen of the smaller Powers and of the Dominions and India were called in when matters affecting their special interests were under discussion. But the decisions were those of the “big five.”

The reduction of the British representation from five to two greatly enhanced the difficulty of finding a place for the Dominions, though on certain occasions Sir Robert Borden did appear with Mr. Balfour. It is necessary to note that business was prepared for the Council of Ten by a series of commissions, upon which the minor states and also the Dominions were largely represented. Sir Robert Borden sat on the commission dealing with Greece, General Botha dealt with Poland, Sir Joseph Cook with Czechoslovakia, Mr. Massey with the question of responsibility for the war, Mr. Hughes with reparation, and Mr. Sifton with waterways.

Decisions when reached, whether on report of commissions or otherwise, by the Council of Ten, were remitted for formal confirmation to the Plenary Council of seventy. No

The Method of the Conference

one imagined that anything could really be settled in this body. It became from the outset no more than a place where expository speeches could be published, protests could be recorded, and the decisions already made in the Council of Ten could be registered. Like the ancient *Parlement* of Paris, it is not a deliberative but only a registering body. The publicity imposed on its proceedings by the Press made any other result impossible.

The first and greatest task of the Conference was to formulate the terms of peace to be offered to Germany. With the best of intentions the Council of Ten approached it on methodical lines. Each delegate said what he had to say in a carefully prepared form, some delegates even standing to speak. Interruptions and conversational arguments were few. A careful record of each speech was kept. The result was a thorough discussion. But the urgent need of the world was decisions. *Bis dat qui cito dat*, and the Council of Ten showed no promise of yielding decisions. And then the factor of responsibility began to tell. Where the real power is, there also the real responsibility is sure to gravitate. The power to make the peace of the world really rested with the five principal states ; and in each of them was one man whom the peoples of those countries were bound to hold finally responsible for delay. But of these, one, the Prime Minister of Japan, was not in Paris. The circumstance is not unrelated to the fact that Japan did not wish to be concerned in the internal settlement of Europe. The result was that the four men, who knew that they would be held accountable to the peoples of Great Britain, the United States, France, and Italy, came together alone. The Council of Four suddenly supervened, and the Council of Ten vanished.

Instinctively the Council of Four adopted the methods of a British Cabinet before the war. There were no speeches. They sat together without even a table before them. And as in a pre-war Cabinet, there was, to begin with, no common record. But as in the War Cabinet, a

The League of Nations

record was presently found to be necessary, and experts were introduced as required. The result was quickly seen in decisions, the decisions which were the most pressing need of mankind. But the need was only met by a most drastic restriction of the principle of conference.

So far as possible the minor units have been called in to express their views on matters in which they were severally and distinctively concerned. But a Belgian or Greek is as much concerned in the general making of peace as a Frenchman or American. In fact the decisions have had to be made by the four Great Powers, and to reach decisions the crucial discussions had to be confined to the one spokesman finally responsible to the legislatures and electorates of these four communities.

III. THE COUNCIL OF THE LEAGUE

THESE considerations are of cardinal importance if the settlement of international affairs which determine the issue of peace and war is, in the future, to be reached by the conference of principals, and not by the indirect and underground methods of the old diplomacy. Is the Conference of Paris, like that of Vienna, to remain an isolated incident in history? Or is it to rank as the first meeting of a permanent world areopagus in which the relations of states to each other are to be adjusted from time to time? Not all the treaties which have to be made can be settled in Paris; and the ink will scarcely be dry on many of those made there before it becomes clear that in the interests of the world's peace and of justice they need to be reconsidered. The point of supreme importance is whether the business is going in fact to be transferred to the League of Nations, and to be transacted through its mechanism; or whether, behind whatever disguise, it is going to relapse into the old channels of obscure diplomatic intrigue. When the con-

The Council of the League

ference of Paris closes, is the League of Nations to begin as a reality? The answer to this vital question depends upon how far the mechanism of the League is adapted, or can yet be adapted, to the purpose.

From this point of view it is much to be deplored that Article IV. merely prescribes that "The Council shall consist of Representatives of the United States of America, of the British Empire, of France, of Italy, and of Japan, together with Representatives of four other members of the League." These four members are to be smaller Powers selected by the assembly and till such selection takes place they are to be Belgium, Brazil, Greece, and Spain.

The future of the League will be mainly determined by whether the first representatives appointed to meet are the Prime Ministers or Foreign Ministers, that is to say, men directly responsible to the peoples for whom they speak. If the representatives sent are not the principals, but merely men of ambassadorial rank, who can only act on instructions from Cabinets to which they do not belong, the fate of the League is sealed. In all matters of cardinal importance, those by which the world's peace is made or marred, it will become a mere registering machine. As a sort of glorified Hague it may continue to transact the minor functions entrusted to it. It may collect statistics, prepare drafts of labour legislation, and discharge very useful functions, of a minor order. But the discharge of these functions will not determine the peace of the world. That peace will be made or marred by transactions between the half-dozen Governments who speak for the vast majority of civilised men. If in the future such matters are transacted by actual members of those Governments meeting face to face, as in Paris, on the Council of the League, its institution will rank as the most important reform ever made at one stroke in human affairs. There is no reason why representatives of secondary status should not be sent to discuss matters of secondary importance. But the real discussion of primary issues will never be entrusted to men who are not members

The League of Nations

of the Governments for which they speak. If such matters are still to be settled between these Governments by underground channels outside the Council, the League will add but one new pile to the debris of men's ideals which their leaders have lacked the honesty of purpose to realise.

The world will do well, then, to rivet its eyes on that first meeting and those first appointments. And indeed it is a matter worthy of attention ; for any one of the peoples concerned can determine the issue. If but one people insists that the head of their Government or their Foreign Minister shall attend the Council, the others will all be obliged to follow suit. Let the argument that they have not time be disregarded. If the Council of the League is to be a reality its work is the most important on earth. There is no more important work that the first Minister of a state can do ; and if he has not time for it there is something wrong with the constitution of that state which had best be amended. The doctrine that domestic problems are more important than foreign affairs is simply one aspect of Canning's dictum, " Each nation for itself and God for us all," which phrase translated from the language of cant into plain English means, " The devil take the hindmost." It is the negation of the idea that the true good of the nation can only be attained by seeking the good of the world at large. It is in essence the naked Prussian nationalism which has landed the whole world in war.

The fortuitous inclusion on the Council of four minor states, which despite all the mechanism of election cannot in any sense of the word represent the states which elect them, is a grave impediment to making this Council the real organ which transacts the affairs by which the peace of the world is regulated. We have but to consider the experience by which the final decisions in Paris were confined to the Council of Four to realise that the casual and arbitrary introduction of four members representing a fraction of civilised mankind is a grave danger. We can say without hesitation that had it been imposed on the

The Council of the League

"big four" in Paris the real settlements would not have been made in their presence. The four would still have met in the studies of President Wilson or Mr. Lloyd George, and the official council would have lapsed like the Plenary Council, the Council of Twenty-five or the Council of Ten.

By creating a definite machinery through which the greatest affairs in the world are in future to be settled, the League of Nations brings out and enforces on public notice certain facts in the situation which existed already, but were previously latent. So long as international relations were adjusted only by underground wires, the issues of peace and war were controlled, so far as they were controlled at all, by agreements between the Great Powers. The League, by substituting the machinery of continuous conference, obliges all the Great Powers to attend to the business of the world's peace. It enables them to treat problems as they arise, with better knowledge and also with greater dispatch. It provides that the voices of smaller states shall be heard before decisions are made. It enables the Powers to reach better decisions and to reach them more easily. But the experience of Paris shows that, when all voices have been heard, such decisions as are reached will still be those of the Great Powers. When the Governments responsible to the few most powerful peoples agree, Governments far more numerous will in practice be bound by the agreement. Theorists who wanted a world Government constructed from the Governments of the world have been disappointed because their theories were wrong.

No real Government can be answerable to Governments. Where the theory of Divine right is discarded it can be answerable to citizens only. In defiance of its own title, the United States has proved by its history that a state cannot be made of states but only of men. The demand of Labour for the direct representation of electorates on the League of Nations proceeds from a dim but instinctive grasp of this truth; though Labour itself is not ready as yet to face the necessary implications. But until the world

The League of Nations

at large is ready to face them, its affairs will in fact be controlled by a very few of its Governments. The rest of its Governments may make their voices heard. The League of Nations will enable them to be heard better, before decisions are made. But when made by the few they will bind the many. The only mitigation of the evil is that the few Governments, whose agreements decide, speak for a far larger number of people than all the rest put together.

One concrete instance may suffice to illustrate this unpalatable truth. Sooner or later some authority will appear in Petrograd or Moscow which will have to be recognised as the Government of Russia. And when the United States, the British Commonwealth, France, Italy, and Japan agree to recognise that authority it will in fact be the Government of Russia so far as the rest of the world is concerned. But the smaller Powers, it may be objected, are represented by the Governments of Belgium, Brazil, Spain, and Switzerland, or by any other Governments that those smaller Powers may agree to elect to the Council in their place. So it is on paper; but in fact the agreement of the four minor Powers will be compelled, however unwilling, by any agreement reached by the five greater members of the Council. And the course of events at Paris shows that the agreement of the five Powers will be reached in discussions which are not in fact conducted in the presence of the others. The Great Powers can settle nothing, except in so far as they are unanimous. But once unanimity is reached it is safe to predict that its effect will not be arrested by any refusal, however persistent, of a Power like Brazil to agree. When the recognition of a Government in Russia is possible and needful in the interests of the world it will not be stopped by Brazil, if only because no form of election, however unanimous, will make the Government of Brazil, or of any other of the minor Powers, represent the rest. The thing is a sham and will share the fate of all shams.

The Problem for the British Commonwealth

Now when the five Great Powers agree to recognise a Government in Russia, will its ratification depend on the plenary assembly? In form that ratification requires the separate assent of at least thirty-two votes. On paper Haiti or Honduras can annul the decision. But if they do, it is safe to say that the five Great Powers will none the less give effect to their agreement by severally recognising the Government of Russia; and so recognised, that Government will be just as firmly established as though by a unanimous vote of the plenary assembly.

IV. THE PROBLEM FOR THE BRITISH COMMONWEALTH

THE position so created for the people of the self-governing Dominions remains to be considered. It is to some extent like that of the United States, though largely differentiated by the fact of their smaller size, and by their position within the circle of the British Commonwealth. As with Britain herself and with the United States, their political system disposed them to a self-regarding nationalism. They acquired a complete control of their own domestic affairs. But the conduct of foreign affairs remained entirely in the hands of the Government responsible to the electorate of the parent country. Questions affecting the integrity or safety of their own frontiers were adjusted through the agency of that Government. They have seldom been satisfied with the results, if only for the reason that negotiation always involves compromise, and no compromise is ever acceptable to a people when made by a Government which is not subject to its own control. So far the matters in dispute have never been large enough to threaten a rupture. But the immediate point is that, like the people of the United States, the peoples of the Dominions came to conceive foreign affairs as nothing to do with them, except in so far as they con-

The League of Nations

cerned the integrity or safety of their own territories. Before the war, discussions of foreign affairs in the Imperial Conference were always vitiated by this narrower conception. Canadian representatives spoke as though Canadians were concerned only with their own frontiers and the adjacent seas. Australian representatives were limited to such questions as New Guinea, the New Hebrides, or the approaching menace of Japan. It is fair to add that British statesmen did little to encourage their Dominion colleagues to take an interest in the currents which were hurrying the whole Commonwealth down to the cataclysm of a murderous war.

In the Dominions themselves men from all parties were fond of impressing visitors to their shores with their absolute detachment from the complications of Europe. Statesmen of position, like the late Sir Wilfrid Laurier, were emphatic on the point. In Australia naval expenditure was mainly defended on the ground of the need for protection against Japan rather than with reference to events in Europe. German agents who dined in Dominion capitals must have felt themselves on sure ground in advising the Wilhelmstrasse that there was no more fear of the British Dominions taking part in the struggle than of the United States.

One significant feature is the number of Canadians, like the heroic Papineau, who asserted these views with vehemence and sincerity, and habitually proclaimed Canada first, last and all the time as their watchword, yet who offered for service in Europe, not merely when war broke out, but while it was only threatening. And this certainly was not due to any fears for the safety of Canada; for in those days Canadians no more than Americans imagined that German aggression could ever reach North American shores. But there is in the temperament of valour an intuitive reason that lifts men in action above the reach of a logic too narrow for the facts. In a crisis they realise by instinct that, as what they really prize in life is not the

The Problem for the British Commonwealth
safety of their skins, so what they really value in their country is not the safety of its shores. They risked their own life and their country's freedom, not primarily for England, but for the cause of all the downtrodden peoples of Europe. The occasion of war was so evidently righteous that they did not pause to consider who was responsible for allowing the whole Commonwealth to come to this pass. They plunged, unquestioning, into a conflict over whose causes they had had no vestige of real political control.

The results of that war have changed their whole life. It must have brought home to every thinking man in the Dominions the truth that no domestic question is quite so important as foreign affairs—affairs the handling of which determines, long in advance, the issues of peace and war. Never again can Dominion electorates acquiesce in the position that their own country can be committed to war by the action or inaction of a Government answerable only to the British electorate. They themselves, through their own Governments, are now assuming the burden of foreign affairs in the largest and widest sense. The issue is definitely crystallised by Article X. of the Covenant to which the Governments of each Dominion are to put their names. By this article each Dominion, as well as the United Kingdom, is to "undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all the members of the League." By an act done here and now in Paris, Canada and Australia would be committed to war by the movement twenty years hence of German armies across the Rhine. This is but one possibility, and not the most probable. The movement of hostile forces across any frontier in Europe will commit them to war. The whole state of Europe becomes their daily and hourly concern.

The time has thus passed for ever when Canadians could think of the foreign affairs of Canada as relating only to her frontiers with the United States and the neighbouring seas

The League of Nations

Australians must now realise that foreign affairs mean something more than questions affecting New Guinea or Japan. In all such matters the Dominion Government will, in terms of the Covenant, be summoned to attend the Council, just as Roumania would be on matters affecting her Hungarian frontiers. But these are not the matters which will divert the whole current of their lives as the late war has done. Matters which determine the recurrence of such wars will be settled by the Great Powers in Council, and the technical right of the Dominion Governments to be elected to the Council does not help them. Apart from all considerations such as those referred to above no British Dominion stands the slightest chance of election to the Council. The time has come when everyone's interests are best served by a frank statement of plain facts. So long as the two great Anglo-Saxon Commonwealths occupy by right seats on the Council, the minor states will never agree to accord an additional place to other communities of the same stock. Nor will anyone who has been in Paris feel that the position would be altered by a declaration of independence on the part of any Dominion. Least of all would Canada have a chance of election, so long as her great North American neighbour is an *ex officio* member of the Council.

The position raised by this Covenant has now to be faced. Unlike the United States, the Dominions have attained complete control of domestic affairs within the circle of the British Commonwealth. They acquired that control simply by informing the British Government from time to time that they proposed to exercise this or that power for themselves. And the thing has been possible because throughout this period of growth they have suffered the Government answerable only to the British electorate to speak for the whole Commonwealth, including themselves, in matters affecting peace and war. As pointed out three years ago, a Dominion Government could not assume the right to speak for itself in matters of peace and

The Problem for the British Commonwealth

war by the same process. Mere notification to the British Government would not have established that right, until it was also made to and accepted by foreign Powers. When the British Government declared war in 1914, no Dominion Government notified the enemy that they were at peace; and the Foreign Office at Berlin correctly advised all its agents that all the Dominions were committed to war by the declaration of the British Government, although it never believed they would fight. A declaration on the part of a Dominion to the contrary would have been a formal declaration of independence, which would have deprived every British subject domiciled therein of his status as such. And the same consequence would follow when peace is made, if any Dominion refused to sign the peace, remaining at war with Germany when the rest of the Commonwealth had made peace. In the making of this peace the issue is postponed because time has allowed the Dominion Governments to be present and to sign the peace in conjunction with those of the mother country.

Yet this circumstance has not removed the difficulty raised by Article IV. of the Covenant. In terms of that Article the *British Empire* is entitled to one representative with one vote on the Council. The question may be asked why for these words were not substituted such words as "The United Kingdom and those parts of the British Empire not included in the self-governing Dominions and India"? For the representatives of the Dominions and of India are to sign the peace. The answer is that to have used these words would have been a formal declaration to foreign Powers that the Minister representing the British Empire in matters of peace and war no longer spoke for the self-governing Dominions. Those words would have been a frank declaration of independence on behalf of the Dominions, depriving all their peoples of their status as British citizens. And this the most momentous change ever made in the life of those peoples would have been effected by four Prime Ministers, in secret conclave in

The League of Nations

Paris, without reference to their Parliaments or electorates. That anxiety has been felt on the subject may be seen by reference to the Australian article in this number.

The position in Paris for all the five British Ministers with electorates behind them has been difficult in the extreme. It has only been saved by their patience and self-restraint and above all by loyalty to the peoples behind them. For the situation was one in which a blunderer or schemer might by wilfulness or intrigue have virtually taken the power of considered decision out of the hands of his own electorate. But the spokesmen of these peoples were consciously resolved that in making the peace the union of nations in one commonwealth cemented by war should not be dissolved on a side issue or consummated by some dexterous turn of the draftsman's pen. They went to Paris to settle the terms of peace, and not to settle once for all the terms of the British Constitution, or the jurisdiction to which it is applicable. But the League of Nations could not be drafted without placing them on the horns of a dilemma. There was room for only one representative for each Great Power on the Council, and the question could not be evaded whether the representative of the British Empire did or did not speak for the Commonwealth as a whole. The world outside had to be told in terms for what countries that representative would speak. Was this one representative to speak for the British Dominions, or was he not? They knew that, as things are, he must be a man answerable only to the electorate of the British Isles, in no way amenable to the votes of Dominion electors. Before the war this position had been tacitly accepted. They were now called upon to acknowledge it in terms. Their only alternative was to embody in the Covenant a declaration of independence on the part of the Dominions.

Confronted by these difficult alternatives the course they took was the one which least committed the electorates behind them. Difficult as it was for these men to declare

The Problem for the British Commonwealth
in terms for the information of mankind at large that a British representative not amenable to Dominion votes represented the Dominions, they have taken that course because, of the two alternatives, this was the only one which left the question open for their peoples to decide for themselves, at leisure, and in full knowledge of all the issues involved. Through their own foresight, however, the position was not sprung on Dominion Ministers. They anticipated and prepared for it when at the Imperial Conference of 1917 they provided by resolution for a conference after the war to reconsider, in the light of its events, the whole constitutional position and the future relations of the self-governing nations of the Commonwealth to each other.

And indeed the decision, which can only be formulated for settlement by the electorates at a conference like this, cannot be long postponed. The Covenant presupposes an amendment of the British Constitution to bring the two into harmony with each other. The Great Powers of the world have been told that in conference with them a representative amenable only to votes cast by British electors holds the mandates of five other electorates. In fact we know that he will not do so. His place will depend on votes cast in the Parliament and by the electorate of the British Isles. He can, to the best of his ability, listen to and voice public opinion in the Dominions as expressed through their Governments. But no British citizen in the Dominions can cast a vote which operates to dismiss him, and the spokesman whom voters cannot dismiss by their votes they do not control. The position cannot be long continued. The representative of the British Commonwealth in the Council of Nations must be made answerable to British citizens in the Dominions no less than, and in just the same manner as, to British citizens in the United Kingdom ; or else, in the not distant future, the nations he does not in fact represent will disavow him. The peoples of these Dominions are approaching a fateful issue,

The League of Nations

in which they will decide for themselves whether, as British citizens of a world-wide Commonwealth, to assume obligations for ordering the peace of the world, for moulding the future of mankind, or whether, renouncing that status, as aliens to the Commonwealth, to content themselves with such place in the world's counsels as by the logic of facts minor states alone can find. They have to choose between such responsibilities as will now fall to the lot of citizens of the United States and of citizens of South American Republics. The gift which the League of Nations offers them is trouble, the high privilege of bearing the troubles of mankind. A more fateful issue was never presented to deliberate choice.

THE MILITARY EFFORT OF THE BRITISH EMPIRE

IT has seemed essential, in the number of *THE ROUND TABLE* which reviews the terms of peace, to attempt also some review of the military effort which brought us victory. Comparisons based on figures are never wholly satisfactory. They ignore the different circumstances of the countries compared ; they assume a general similarity in the method by which the national totals are compiled ; and they seem at best to assess the weight of moral factors in crude material scales.

All figures must suffer from objections of that kind. It is impossible, for instance, to measure the extent to which the military effort of the United Kingdom was handicapped by the necessity which lay upon it of making munitions for all the Allies, assisting their finances, maintaining the command of the sea, and keeping up the oversea carrying trade against the terrible toll exacted by the submarine. It is equally impossible to assess the magnificent moral effort by which France held four-fifths of the western front until our new armies came to her aid ; or that which enabled Belgium to rise superior to the first annihilating shock of the waves of the German advance. More imponderable even than these is the force of instinct and of vision which

The Military Effort of the British Empire
sent the splendid Dominion contingents across thousands of leagues of sea to meet a menace which distant democracies might well have thought too remote for their active concern.

The figures ignore, and perhaps in some sense obscure, this aspect of the facts. But the moral effort is nevertheless reflected in the material effort, and there is no means of seeing our various achievements in perspective except through some analysis, however rough, of the way in which our manhood responded to the call to arms.

The effort is best measured in two ways—first, by the totals recruited for active service; second, by the casualties borne. We shall deal with the British Empire first under each of these heads, and then, in a third section, with our chief allies. Figures are not yet published of the total armed forces maintained by our allies. We have therefore had to illustrate their effort by their published casualty returns.

The totals and percentages are compiled from official figures. It has seemed best to let our readers analyse and appreciate them for themselves. We have added little comment but what was necessary to make the method of compilation clear.

I. ENLISTMENTS IN THE BRITISH EMPIRE

THE total provision of men for the armed land forces of the Crown is given in four different ways. Table A shows the total existing forces of the United Kingdom in August, 1914, and the totals recruited during the war. Table B shows the total forces recruited by the rest of the Empire. Table C shows the total man-power employed in the different theatres of war. Tables D and E show the totals recruited for actual service at the front, and the

Enlistments in the British Empire
 percentage of the total male population which those figures
 represent.

TABLE A

Country.	Existing Forces in August, 1914.	Since Recruited.	Total in Arms.
United Kingdom ...	733,514	—	—
England	—	4,006,158	—
Scotland	—	557,618	—
Wales and Monmouth	—	272,924	—
Ireland	—	134,202	—
United Kingdom ...	—	4,970,902	5,704,416

Exactly parallel figures from the Dominions are not available. The following table includes enlistments for certain forms of auxiliary service which are not included in the United Kingdom recruiting figures as given in Table A. The actual totals recruited by the Dominions for service at the front are shown in Table D. It has not been possible to secure sufficiently definite figures of the forces in existence in the Dominions in August, 1914; only the total in arms, including the forces existing in August, 1914, and the forces since recruited, is therefore given below.

TABLE B

Country.	Total in Arms.	Total.
Canada	628,964	—
Australia	416,809	—
New Zealand	220,099	—
South Africa	136,070	—
Newfoundland	11,922	—
Total—Small Colonies	12,000	—
Empire (less United Kingdom) ...	—	1,425,864

The total enlistments of the British Empire (excluding

The Military Effort of the British Empire
 certain volunteer home forces in the United Kingdom such
 as the National Guard) are therefore as follows :—

United Kingdom	..	..	5,704,416
British Empire (less U.K.)	..	..	<u>1,425,864</u>
Total, white enlistments	..	..	<u>7,130,280</u>

In addition to the above, there were in India the following troops at the outbreak of war	..	..	239,561
Indians since recruited	..	..	1,161,789
South Africa, coloured troops	..	..	92,837
West Indies, coloured troops..	..	..	10,000
Other Colonies, coloured troops	..	..	20,000
Total, Indian and Coloured	..	..	<u>1,524,187</u>
Total, British Empire	..	..	<u>8,654,467</u>

The allocation of this man-power to the different theatres of war is shown in the following table. The total is slightly larger than the total shown above, because it includes certain labour and lines of communication units which would not figure properly as fighting troops, but which went to swell the numbers withdrawn from the normal productive work of the Empire.

TABLE C

Theatre.	Maximum Strength.	Total Employed.
France	2,046,901	5,399,563
Italy	132,667	145,764
Salonica	285,021	404,207
Dardanelles	127,737	468,987
Mesopotamia	447,531	889,702
Egypt and Palestine	432,857	1,192,511
Other Theatres	293,095	475,210
Total, All Theatres	—	8,975,944

Enlistments in the British Empire

This total includes neither our naval personnel nor our merchant service, nor the very considerable numbers withdrawn from their normal work for various forms of auxiliary military service in their home countries. If these be included, the total man-power raised for service by the British Empire is well over ten millions. To this total should be added the woman-power recruited for auxiliary service by the State,* which totalled roughly 250,000. The total of white enlistments works out therefore as follows :—

Total Enlistments of British Empire

Men	7,130,280
Women	250,000
Total	7,380,280

The percentages to population borne by these total enlistments are :—

1. Percentage of male enlistments to total white male population of British Empire	24.07
2. Percentage of male enlistments to total white population of British Empire ..	11.57
3. Percentage of male and female enlistments to total white population of British Empire	11.97

The next tables show how this total was made up in detail by the self-governing parts of the Empire and the percentage borne in each case to the total white male

* This total includes only those women who wore an officially recognised uniform, such as the Q.M.A.C., W.R.N.S., W.R.A.F., etc. In addition to these there were such woman services as the Canteen Workers, Women's Emergency Corps, Women Police, Green Cross, Messenger Corps, etc., the numbers recruited by which are not available. The total number of women recruited for munition work, transport, service of local authorities and other forms of civil duty, undoubtedly rose to many millions, but cannot be accurately ascertained.

The Military Effort of the British Empire
 population. Table D shows this in detail for the different parts of the United Kingdom ; Table E shows it for the United Kingdom and the other self-governing communities of the Commonwealth.

TABLE D

Country.	Total enlistments from August, 1914, to Nov. 11, 1918	Estimated Male Population.*	Percentage of enlistments, Male Population.
England (less Monmouth)	4,006,158	16,681,181	24.02
Wales and Monmouth ...	272,924	1,268,284	21.52
Scotland	557,618	2,351,843	23.71
Ireland	134,202	2,184,193	6.14
Total, United Kingdom...	4,970,902	22,485,501	22.11

The table above includes only the enlistments since August, 1914, and not the total of 733,514 serving at that time. The full total for the United Kingdom is given in the following table, so as to make the figures parallel to those shown for the Dominions.

TABLE E

Country.	Total sent oversea or in training as at November, 1918.	Estimated white male population.	Percentage of serving troops to white male population.
United Kingdom ...	5,704,416	22,485,501*	25.36
United Kingdom (less Ireland)	5,540,214	20,301,308*	27.28
Canada	458,218	3,400,000†	13.48
Australia	331,814	2,470,000†	13.43
New Zealand	112,223	580,000‡	19.35
South Africa	76,184	685,000‡	11.12

* Estimated for July, 1914.

† Estimated for July, 1911, including only those born in Canada or the British Isles.

‡ Estimated for July, 1911.

Enlistments in the British Empire

In appraising Table E the following considerations should be borne in mind :—

(1) The age distribution in the Dominions differs considerably from that of the British Isles. In the Dominions a larger proportion of the male population is in the prime of life.

(2) The percentage of rural to urban population is higher in the Dominions than in the British Isles.

(3) A very considerable proportion of the population in the Dominions is composed of emigrants from the British Isles who are, for the most part, the fittest of their generation in character and physique. In most parts of the Empire emigrants suffering from such diseases as tuberculosis are not allowed to land.

(4) The percentage of able-bodied population employed in munition-work was higher in Great Britain than in Canada, and higher in Canada than in Australia, New Zealand, and South Africa.

Reflection on these considerations and on the percentages in Table E will show why in the later stages of the war the standard of energy and physique seemed higher in Dominion units than in those of the British Isles. In war the best, on the whole, are taken first, and the quality of man-power available falls at a rapid rate after a certain point. New Zealand stood the test of heavy recruiting better in this respect than the British Isles. The other Dominions did not test their population to quite the same extent.

In this context another factor also needs to be borne in mind. The number of divisions maintained by the United Kingdom was always higher proportionately to the total of troops available than in the case of the Dominions. This factor told in two ways. Units from the British Isles were always under strength as compared with units from the Dominions. Not only this, but in the last year of the war British infantry brigades were reduced to three battalions each while Dominion brigades were

The Military Effort of the British Empire

able to maintain their original four battalions. It takes a soldier with experience in the field to realise how much these two factors mean in economising troops. The weaker formation imposes a strain on the moral and endurance of its men quite out of proportion to its actual deficiency in numbers. Every task is harder, reliefs are longer coming, periods of rest are reduced; and this accumulation of strain tells on every soldier in the ranks. Dominion soldiers naturally had no means of realising these facts; and criticism has since been heard of the staying power of British as compared with Dominion troops. All troops of British stock are splendid troops, and there have been none finer in history than those sent by the Dominions to this war. The best of them had a certain special quality, which may be described as inextinguishable and sleepless initiative. But while the sense of adventure was higher amongst them in the latter stages than amongst all but picked British troops, they owed this mainly to the fact that they themselves were picked troops, longer trained and coming from populations less closely combed for man-power than that of the British Isles. A much higher percentage of British man-power went through the fiery ordeal, and owing to that very fact it stood a harder test. Historians who weigh these facts will find little change from Wellington's day in the fighting and staying power, the traditional "majesty," in Napier's phrase, of the infantry composing the historic regiments of the British Isles.

II. THE LOSSES OF THE BRITISH EMPIRE

THE total casualties in all ranks of the armies of the Empire in the different theatres up to April 13 of this year are given in the next table, Table F. The totals for missing include prisoners. The table does not in-

The Losses of the British Empire
 clude sick casualties, or casualties to Indian and coloured
 troops.

TABLE F

Theatre.	Killed.	Wounded.	Missing.	Total.
France and Belgium ...	612,764	1,868,373	243,066	2,724,203
Italy	1,224	4,945	757	6,926
Dardanelles	33,522	78,420	7,636	119,578
Salonica	9,362	16,901	1,829	28,092
Mesopotamia	34,278	52,499	14,772	111,549
Egypt	18,390	37,959	3,647	59,996
East Africa	11,069	7,928	575	19,572
Other Theatres	971	1,702	1,075	3,748
Total	721,580	2,068,727	273,357	3,073,664

Table G shows the distribution of these casualties amongst the different contingents of the Empire, and the percentage of casualties to male population. In the case of India the percentage of casualties to male population cannot be calculated, but it is, of course, proportionately to other parts of the Empire, very small.

TABLE G

Country.	Killed.	Wounded.	Missing.	Total.	Percent- age of casualties to male popula- tion.*
United Kingdom ...	549,967	1,649,946	253,353	2,453,266	10.91
United Kingdom (less Ireland)†	—	—	—	2,391,560	11.78
Canada	55,175	149,733	767	205,675	6.04
Australia	55,585	151,245	3,121	209,951	8.50
New Zealand	16,132	40,749	5	56,886	9.80
India	36,162	62,106	14,042	112,310	—

* The white male population is calculated as in Table E.

† Irish casualties calculated as 43 per cent. of total Irish enlistments in accordance with Table H.

The Military Effort of the British Empire

Table H shows the proportion of the casualties suffered by each part of the Empire enumerated in Table G to its total enlistments as shown in Tables A and B.

TABLE H

Country.	Total Casualties.	Total Enlistments.	Percentage.
United Kingdom	2,453,266	5,704,416	43·00
Canada	205,675	628,964	33·05
Australia	209,951	416,809	50·37
New Zealand	56,886	220,099	25·85
India	112,310	1,401,350	8·01

If the percentages be reckoned from the "totals sent overseas or in training as at November, 1918," given in Table E, they work out as follows:—United Kingdom, 43 per cent.; Canada, 44·88 per cent.; Australia, 63·36 per cent.; New Zealand, 50·70 per cent.; India, 8·01 per cent. The variation between this result and that shown in Table H is a little bewildering at first sight, but is explained by differences in the category of troops. Out of the total enlistments for the United Kingdom, for instance, large deductions have to be made for troops of a low physical category recruited for work in the back areas. Canada, again, probably supplied a larger percentage of technical troops than the other Dominions. Figures are not available for the totals of combatant, in the sense of front-line, troops; but if they were, it seems that they would show the percentage of casualties fairly evenly distributed throughout the Empire's fighting contingents, with Australia slightly the heaviest sufferer.

Two other casualty tables are worth consideration. They show the cost of victory in the different theatres of war, and demonstrate in the most striking manner how much the greatest of all our efforts was that of beating the German army in France and Belgium.

The Losses of the British Empire

TABLE I

PERCENTAGES OF BATTLE CASUALTIES TO THE TOTAL NUMBERS OF
MEN EMPLOYED IN EACH THEATRE OF WAR
(British Regular and Territorial Forces only. Sick casualties excluded.)

Theatre of war.	Killed and died.	Missing and prisoners.	Wounded.	Total battle casualties.
France	12.06	6.37	37.56	55.99
Italy	0.84	0.52	3.40	4.76
Salonica	2.76	0.59	5.25	8.60
Egypt	1.93	0.40	4.20	6.53
Mesopotamia	5.94	1.49	8.36	15.79
Dardanelles	6.32	1.58	14.93	22.83
East Africa	5.25	0.15	2.86	8.26
Other Theatres, including Russia	2.77	3.45	3.45	9.67

TABLE J

TOTAL PER CENT. OF BATTLE CASUALTIES

France ...	55.99	...	...	5 casualties to every 9 men sent out.
Dardanelles ...	22.83	...	2	" 9 "
Mesopotamia ...	15.79	...	2	" 12½ "
Other Theatres	9.67	...	1 casualty	" 10½ "
Salonica ...	8.60	...	1	" 12 "
East Africa ...	8.26	...	1	" 12 "
Egypt ...	6.53	...	1	" 15 "
Italy ...	4.76	...	1	" 21 "

One other fact may be cited with satisfaction. The proportion of officers to non-commissioned officers and men for all forces and arms (excluding the Royal Air Force) in France was 1 to 21.4. The proportion of officer casualties to those of non-commissioned officers and men (excluding the Royal Air Force) was 1 to 21.

The Military Effort of the British Empire

III. THE ALLIES OF THE BRITISH EMPIRE

IT remains to set down briefly a few figures to illustrate the share of our Allies in the war.

Since they started from beginnings even smaller than our own, we may illustrate first the growth of the military forces of the other great branch of the English-speaking race. The number of American troops transported to Europe was :—

American Armies in Europe

1918.	Up to March 31st	..	..	365,000
	During April	..	..	118,000
	" May	..	..	244,000
	" June	..	..	278,000
	" July	..	..	309,000
	" August	..	..	286,000
	" September	..	..	254,000
	" October	..	..	186,000
				<hr/>
	Total	..	..	2,040,000
				<hr/>

The casualties suffered by the American Armies in France up to November 26th, 1918, are reported as follows :—

American Casualties.

Killed	..	..	..	28,363
Died of wounds	..	..	..	12,101
Died, other causes	..	..	..	18,014
Wounded	..	..	..	189,955
Missing	..	..	..	14,290
Prisoners	..	..	..	2,275
				<hr/>
Total	..	..	..	264,998

The Allies of the British Empire

The percentages of the American military effort work out as follows:—

TABLE K

Total Population of United States June, 1918.	Total Forces transported to Europe.	Percentage of Forces to Population	Total Casualties.	Percentage of casualties to Forces.	Percentage of casualties to Population.
103,500,473	2,040,000	1.97	264,998	12.99	0.25

Figures are not available to show the total effort of our chief Allies in Europe—France, Italy, Belgium, Roumania and Serbia. The casualties of France, Italy, Belgium, Serbia and Roumania are given in the next table.

TABLE L

Country.	Killed.	Wounded.	Prisoners.	Missing.	Total.
France ...	1,287,300*	442,800	408,000	—	2,138,100
Belgium ...	13,716	44,686	10,203	24,456	93,061
Italy... ...	460,000	947,000	530,000	—	1,937,000
Serbia ...	45,000	133,148	70,423	82,535	331,116
Roumania ...	Killed and Missing				335,706

The Italian figure for "killed" in the above table is very high in comparison with the figure for wounded, and seems to require explanation. This may, perhaps, be found in Mr. George Trevelyan's statement in his *Scenes from Italy's War*, that over 100,000 Italian soldiers died in captivity in Austria-Hungary. It seems impossible in any case that the figures for "killed" should include only battle casualties—such a reflection on the Italian Army Medical Service would be incredible.

One final table is necessary to show the percentages of battle casualties to population in the British Empire, France, the United States, Belgium and Serbia. The

* This figure includes *disparus*.

The Military Effort of the British Empire

figures for prisoners and missing are omitted in all cases except the French, where those for missing cannot be detached. The French figures, on the other hand, clearly do not include the lightly wounded, and are therefore not really comparable to those of the other Allies. The magnitude of the French losses would be even more impressive were these figures available. Italy is omitted from the table for the reason discussed in the preceding paragraph.

TABLE M

Country.	Population.	Killed and Wounded.	Percentage
British Empire	61,607,320	2,782,779	4.51
France	40,000,000	1,730,100	4.32
Serbia	5,000,000	178,158	3.56
Belgium	7,500,000	58,402	0.78
United States	103,500,473	230,419	0.22

It has not been possible to obtain complete figures for the naval effort of the British Empire and its casualties at sea. No estimate of the British effort in the war can do justice to the truth without those figures ; for the Navy and the Merchant Service alone made the military effort effective, not only for the British Empire, but for all its allies. We very much regret that no record of their strength and sacrifice can be included in this rough survey.

RUSSIA'S REVOLT AGAINST BOLSHEVISM

AN article in the last number of *THE ROUND TABLE* set forth in some detail the principles upon which the Soviet Government in Russia is based and the means adopted by it for carrying them into practice. The principles in themselves are nothing new, being based upon an extreme interpretation of the theories of Karl Marx; what is new are the methods adopted for carrying them out. It is the violence and brutality of these methods, which have been cynically enforced quite regardless of the wishes and protests of the population, that have made the Bolshevik *régime* the object of universal condemnation in the eyes of all sane-thinking people.

Perhaps more than any movement in history Bolshevism in Russia may be described as the movement of one man—Lenin. This is so much the case that Russians have often been heard to declare that Lenin is the only Bolshevik in Russia. Exaggerated as such assertions are, it is at any rate true to say that, but for Lenin with his extraordinary personal and intellectual power, Bolshevism would never have taken its present form and would never have held together in the face of opposition both from within and from without. The amount of work he has accomplished during the eighteen months of his rule has been little short of marvellous. Though during the long years of his sojourn abroad he had fully elaborated his theories for the future Socialist State, it was not possible before the Rev-

Russia's Revolt against Bolshevism

lution to devise the machinery he would be forced to adopt on the spot. The Soviets themselves, for example, were no part of his original theory. In the Revolution of 1905 he was opposed to the formation of the Soviet, in which Trotski afterwards played so prominent a part, on the ground that the combination of the whole Labour movement in a single body would retard rather than advance the immediate realisation of complete Socialism. Nevertheless, when he arrived in Russia in April, 1917, and found the Soviets in existence he lost no time in adapting himself to circumstances, and determined that it was through the Soviets and the Soviets alone that he must work, first permeating them with his ideas by skilful propaganda and afterwards by methods of violence making them the faithful instruments of his party. The Soviet system is only tolerated by Lenin in so far as it carries out the decrees of the Bolshevik Party that dominates the Soviets, and it is idle and fantastic to make any distinction in practice between the Bolshevik Party and the Soviets. In many other ways, too, Lenin has endeavoured to adapt his theories to meet sudden emergencies, provided the main fabric of the structure were left undisturbed. But in spite of his ingenuity and the ability of many of his immediate lieutenants, in spite of the exhaustion of the country after the sufferings of the war, and the difficulty of organising the ignorant masses against the Bolshevik Government once it had planted itself firmly in the saddle, the Bolshevik system is crumbling, and its authors are unable, either by threats or by cajolery, to reinstate it in popular favour or stem the growing resistance of the Russian people themselves to them and all their works.

Recent events in Soviet Russia have already justified the conclusions drawn in the previous article in *THE ROUND TABLE*. It was clearly stated there that Bolshevism was not likely to succeed for long in a country in such a backward state of development as Russia. Though this very fact might have made its initial success as a destructive

Is Bolshevism on the Wane?

force all the easier, yet when it came to constructive effort the failure would be more complete. Lenin himself was aware of this, and was therefore concentrating his main effort on maintaining himself in power until he could spread his doctrines into the more advanced countries of Central Europe. His ultimate success would depend on the results achieved in this direction. "In its present form Bolshevism must either spread or die. It certainly cannot remain stationary." *

I. Is BOLSHEVISM ON THE WANE?

SO long as the war continued Bolshevism remained to the average man a purely Russian phenomenon. Whatever may have been simmering under the surface in other countries did not catch the eye or impress the world as a whole so long as men were engrossed in all-important military matters. In many countries, it is true, there had been manifestations of sympathy for Lenin and Trotski and for Bolshevism in general as a purely revolutionary force, and there were some who even during the war openly proclaimed themselves Bolsheviks. But no such movement showed any real power until it was clear to the world that the greatest danger had been overcome and that the German military machine had been smashed. Until then Liebknecht, the real leader of the Bolsheviks, had been looked on almost with sympathy by those who, with their attention engaged on the rights and wrongs of the war, classed him with Bernstein as an enemy of Prussian Militarism without considering what he ultimately stood for. It was the collapse of the old *régime* in Germany that suddenly opened men's eyes to the existence of a dangerous Bolshevik movement in that country, a movement that stood for the same principles as the Soviet Government in Moscow and advocated the same violent methods for carrying them into effect.

* ROUND TABLE, March, 1919. No. 34, page 292.

Russia's Revolt against Bolshevism

It was not till then that Bolshevism appeared in its true light, not as a Russian, but, as it claimed itself to be, an international movement. The reaction in each country was almost instantaneous. Those who had hitherto failed to grasp the significance of Bolshevism so long as it was isolated in a country so little understood by the general public as Russia rushed to the other extreme and began to denounce the Labour movement in each country as Bolshevik. Some of the speeches made by Coalition candidates on the eve of the General Election showed traces of this misunderstanding, and there were few things that did so much good to the Bolshevik cause in this country as the thoughtless way in which the Labour Party was denounced as Bolshevik and some of its most respected leaders, such as Mr. Henderson, branded as "Bolshies."

Since that time, perhaps, the average man has learnt more. The intoxication of victory has passed and it is to be hoped that many of the unwise things said at the General Election have been forgotten. Bolshevism has for some months past engaged the attention of all thinking men and women in a way it never did before; and, in spite of exaggerations and misstatements about the Russian Bolsheviks that inevitably find their way into the press from time to time, the main facts about Bolshevism are now widely known and there is less tendency to label men as Bolsheviks who both by their words and their actions repudiate all connection with the opprobrious epithet. Yet, if there is still a tendency to confuse anti-Bolshevist Socialists with Bolsheviks, the blame rests partly with the former for not having made their attitude sufficiently clear, and, perhaps for this very reason, an analysis of what has taken place in Russia in the ranks of the Socialist parties may help to clarify the situation so far as Bolshevism and Internationalism are concerned.

Outside Russia the leading Bolshevik movements that have come out into the open and signified their formal alliance with Lenin's Government are the Spartacist move-

Is Bolshevism on the Wane ?

ment in Germany, the Communist Government in Budapest and the Italian Official Socialist Party. In other countries, such as France, Holland, Sweden, Norway and even Great Britain, there are small groups that adhere to Bolshevism, but as yet no well-organised party has made its appearance. For the present, therefore, the success of Bolshevism in Europe must be judged by the success of Spartacism in Germany, of Communism in Hungary and in a much less degree of the Official Socialist Party in Italy, though as the last movement has not yet made any bid for power its consideration need not come within the scope of the present article.

Spartacism in Germany since the German Revolution has had rather a different history from Bolshevism in Russia since the Revolution there. It has shown the same energy and violence as its Bolshevik model, and it has had the example of Lenin to guide it, being able to profit as in Russia by the disastrous economic consequences of the war. On the other hand, it has had several disadvantages that Bolshevism in Russia did not have to contend with. The Russian Bolsheviks were able to stand for immediate peace while their opponents stood for the continuation of the war ; the German Spartacists, on the contrary, are the enemies of peace and it is the conclusion of peace with the Western Powers that the German people want. There is again no acute land question in Germany as in Russia, and the Spartacists are not able to make any appeal to the peasantry that would for the time being bring the majority of the population over to their side. But the most important factor is the strength of the German *bourgeoisie* and the high percentage of educated people in Germany who see through the theories of the Spartacists and do not believe in their experiments. Thus, in spite of their extraordinary energy, the Spartacists have not met with the rapid success which was necessary for them ; any delay tells against them and they know it, and there is no doubt that from their point of view they were right in making their bid for

Russia's Revolt against Bolshevism

power as soon as they did in Germany. In Berlin they made two attempts and on both occasions they were defeated. It was only in Munich that they met with any temporary success, and here too they have now collapsed, leaving behind them a record that will not inspire other parts of Germany to follow their example. There may no doubt be other outbreaks of Spartacism in Germany, but the Spartacists have no leaders of outstanding ability such as Lenin, and the great body of public opinion in Germany, profiting by the lesson of Russia, is solid against them, except as a counsel of utter despair. In Germany, at any rate, unless the Allies deliberately foment it, Bolshevism is discredited and is now on the wane. Bolshevism thrives only on success and continuous success, and cannot survive the repeated failures it has already met with in Germany.

In Hungary, too, as far as can be judged at the moment of writing, the Communist Government has ended in a fiasco. It is probably true to say that Communism there was stronger before it came into power than afterwards. The prestige of Count Karolyi's Government had gone, and many people, for purely national reasons, may have been prepared to welcome a new experiment to test its effect on Western Europe. For that very reason there was a feeling of uneasiness in many quarters lest General Smuts's mission to Buda-Pest might increase the prestige of Bela-Kun's fantastic Government, but later events and the firm line of action pursued by the Allies have removed these fears and exposed the inherent weakness of Bolshevism when faced with any armed force backed by a determined Government. The failure of Bolshevism both in Germany and Hungary has gone far to ruin Bolshevik prestige in Europe; and Bolshevism is finding itself more and more driven back into Russia, there to defend itself against the population over which it has tyrannised so ruthlessly for more than eighteen months.

The Bolshevik Government and Peace

II. THE BOLSHEVIST GOVERNMENT AND PEACE

IF the prestige of Bolshevism in Europe has suffered, what has been the effect in Russia? A great deal will depend on the course of events in the near future, but to understand the position it is necessary to review the recent history of Bolshevik prestige in Russia. At the time of the armistice with Germany Bolshevik prestige was extraordinarily low. It was clear to every intelligent Russian that the defeat of Germany had been due to the superior strength of the Allied armies, and it was universally expected that a small portion of the victorious troops would instantly be diverted to Russia. Mothers comforted their children in Petrograd with the assurance that soon the English would be coming, and the Bolshevik authorities there were making every preparation for evacuating the city. Time passed and nothing was done; even the opening of the Dardanelles made no appreciable difference. So the Bolsheviks took heart again, and, when the Peace Conference opened its sittings in Paris in January, Lenin had had time to devise a new policy to suit the turn of events. Peace overtures were made to the Allies and hints were given that the Soviet Government was prepared to grant concessions. It was in this atmosphere that the Prinkipo proposal was launched. To the Bolsheviks it seemed too good to be true and their first impulse was to see in it nothing but a trap. They therefore hesitated to give any reply, until it became clear to them, from the indignation of their opponents, that the proposal meant nothing more nor less than what it said, and that here was a way of regaining their prestige in Russia and discomfiting their opponents. In Siberia, at Archangel, and in the South of Russia, there was a feeling of anger and despair, only relieved when it became evident that the Prinkipo proposal had lapsed and that nothing further was likely to come of it.

Meanwhile, however, Lenin was not idle. His peace

Russia's Revolt against Bolshevism

propaganda became more active. Stories were spread of the strength of the Red Army and the way the other Socialist parties in Russia were uniting with the Soviet Government against Admiral Kolchak and against any form of foreign intervention. At the same time the press contained many references to the visit of certain American journalists to Moscow, who, it was said, had brought back to Paris terms of peace from Lenin.

These rumours were finally dispelled by the Prime Minister's welcome speech in the House of Commons, in which he definitely repudiated any idea of recognising the Soviet Government and reiterated his intention of supporting those Russian forces opposed to it.

It is our business (he declared), since we asked them to take this step, since we promised support to them if they took this step, and since by taking this stand they contributed largely to the triumph of the Allies, it is our business to stand by our friends. . . . Therefore I do not in the least regard it as a departure from the fundamental policy of Great Britain not to interfere in the internal affairs of any land that we should support General Denikin and Admiral Kolchak.

Such a direct statement from the Prime Minister should mean a final blow to Bolshevik prestige in Europe, followed as it has been by the collapse of the Soviet Governments in Munich and Buda-Pest. It now remains for Russia to shake herself free from the malady that has not only ruined her but has been disturbing the peace of Europe for many months past. It is not only the future of Russia that is at stake in the struggle against Bolshevism in Russia, but the future of Europe also, for until Russia is restored and able to resume her normal relations with the civilised world there can be no real peace in Europe, neither can the League of Nations be erected on a firm and lasting foundation. If only for that reason the struggle that Russians are now making in the North, in the East and in the South against Bolshevik oppression should engage the interest of the whole world.

The Anti-Bolshevist Movement in Russia

III. THE ANTI-BOLSHEVIST MOVEMENT IN RUSSIA

AT the beginning of November 1917 the Bolshevik movement in Russia came on a wave so swift and unexpected that the Provisional Government was swept off its feet quite unprepared to cope with the situation. Most people expected that it would disappear almost as quickly as it had come when once an armed force was organised against it. But November and December passed and the opposition melted away. It was only in Southern Russia, where General Alexeyev had rallied round him a few hundred officers, that any opposition was even visible. The Cossacks, who had been regarded as the bulwark against Bolshevism, collapsed without a struggle and went over to the other side, and before long the Bolsheviks spread throughout Siberia and made themselves masters of Kiev.

It was then that the Germans intervened in spite of the Peace of Brest Litovsk and checked the spread of Bolshevism farther West. They occupied Kiev and in the name of Ukrainian Independence pushed their armies forward as far as the Don on the East and the Government of Kursk on the North. There were signs at one time that they contemplated occupying Moscow and restoring the monarchy, and it is generally believed that their ambassador at Moscow, Herr Helfferich, advised taking this step. Whatever steps, however, the Germans may have taken to overthrow Bolshevism in different parts of Russia have no connection with the genuine Russian Anti-Bolshevist movements. General Alexeyev, and after him General Denikin, consistently refused to receive any support or to come to any terms with the Germans and made it known that, should the Germans approach the territory controlled by the Volunteer Army, they would be opposed in exactly the same way as the Bolsheviks. General Krasnov, it is true, was not so uncompromising, but the Volunteer Army

Russia's Revolt against Bolshevism

condemned his actions, and there was constant friction between the Volunteer Army and the high command of the Don Cossacks until General Krasnov was removed some months ago.

The first Anti-Bolshevist organisation in Russia, apart from the Volunteer Army in the South, came into being in Moscow about April 1918. As the Bolsheviks suppressed any public organisations opposed to their *régime*, any such bodies had to be secretly organised and their very existence remained a secret during the whole of the summer of 1918. It was not until later, when the individual members of the organisation, finding it impossible to continue work in Moscow, scattered to different parts of Russia, to the North, to the South, and to Siberia, that the existence of the body they had represented became publicly known.

The National Centre, which was formed in Moscow during the spring and summer of 1918, was a coalition of various political parties and organisations. It consisted chiefly of members of the Cadet Party and Moderate Socialist parties such as the Right Social Revolutionaries, the Populist Socialists and the Right Mensheviks, as opposed to the Menshevik Internationalists, headed by Martov, who has now come to terms of a sort with the Soviet Government. It also included a large organisation, known as the Union for the Regeneration of Russia, which was Socialist in character. Its object was to co-operate with the Anti-Bolshevist movement in Eastern Russia which had arisen as a result of the action of the Czecho-Slovaks, with the Volunteer Army in Southern Russia, and with the Provisional Government of those parts of Northern Russia which were freed from the Bolsheviks on the arrival of the Allied expedition. The immediate object was to co-ordinate the policy of all the Anti-Bolshevist movements, the main principle being the restoration of order by armed force and, when that had been accomplished, the summoning of a Constituent Assembly to determine the future form of government.

The Movement in Siberia

IV. THE MOVEMENT IN SIBERIA

THE movement in Siberia, though it came into existence at a later stage than that in the South of Russia, is the most important and may be dealt with first. It is perhaps more directly concerned with the work of the National Centre in Moscow in the summer of 1918. In order to disentangle the history of what happened at Omsk in November 1918 it is essential to trace the movement back to the plans elaborated by the National Centre in Moscow.

When the Soviet Government in Petrograd dissolved the Constituent Assembly in January 1918, a temporary Siberian Government, which was purely Socialist in character, was established at Tomsk. This Government had but a short existence. It collapsed before the Bolshevik wave that swept right across Siberia. The members of the Government disappeared, some retiring into the background, others making their way to Vladivostok.

The success of the Czechoslovaks in Western Siberia meant the reappearance of the old Siberian Government that now took up its headquarters at Omsk. This Government was headed by Vologodski, a Siberian lawyer, but was less Socialist and more *bourgeois* than the former Government which had been dispersed by the Bolsheviks. The reason for this was that the new Government was a compromise between the Social Revolutionaries and the military elements that had begun to form the nucleus of a Russian army to fight the Bolsheviks. Admiral Kolchak became Minister of War in the new Siberian Government, having come from the Far East as soon as communication had been opened up between Omsk and Vladivostok.

Meanwhile in Eastern Russia a new Government had been formed in the territory liberated by the Czechoslovaks east of the Volga. The conflict between the

Russia's Revolt against Bolshevism

Czecho-Slovaks and the Bolsheviks came to a head at the end of May ; and by July the Czecho-Slovaks, joined by a small Russian force, called the "People's Army," had occupied Syzran, Samara, Simbirsk, and even Kazan. These successes, though they were not maintained for long, led to a meeting on September 24 at Ufa, in the rear of the Czecho-Slovak front, when an All-Russian Directory, consisting of Vologodski, Avksentyev, Chaikovski, Astrov, and General Boldyrev, was established. Soon afterwards the Directory moved its headquarters from Ufa to Omsk.

The compromise adopted at Ufa contained no elements of permanence. According to the compromise the Directory was to be the All-Russian Government, while the Omsk Government, which was in reality a very much stronger body, was to be merely a "business" Siberian Government for the purpose of local administration. The establishment of the Directory, in which the Social Revolutionaries were all-powerful, Zenzinov having taken the place of Astrov who had gone to the South of Russia to join General Denikin, was not in accordance with the arrangements made by the National Centre in Moscow, which had aimed at a much broader coalition of parties under the supreme command of General Alexeyev. Moreover, the subordinate position into which the Omsk Government was forced did not meet with any favour from the military elements who were convinced that the new Socialist Directory would never succeed in building up a strong, well-disciplined army, the prime necessity of the moment. These suspicions were still further aggravated by the insidious propaganda of Chernov, the evil genius of the Social Revolutionary Party.

It was clear that sooner or later a change was inevitable. Officers, who had been serving in the so-called "People's Army" on the Volga front, which had been practically controlled by the Social Revolutionaries, had made their way to Omsk, and were determined to secure some form of Government which would definitely break with the com-

The Movement in Siberia

mittee system in the army and ensure the enforcement of strong military discipline. In the Omsk Government there was one man, Admiral Kolchak, who, both by his character and ability, was singled out as the only man capable of assuming supreme control. On November 18 the change took place. During the previous night Avksentyev and two other Socialist members of the Directory were arrested by a group of Cossack officers. A meeting of the Siberian Government was then held to discuss the situation. It was decided that the Directory had collapsed and that its powers should henceforth be concentrated in the hands of one man—Admiral Kolchak—who thereupon assumed the title of *Verkhovni Pravitei* (Supreme Regent).

Irregular as such a *coup d'état* may have been, it may be said in defence that the times were irregular, and that the Directory, elected by only a small group of former members of the Constituent Assembly at Ufa, had no better constitutional basis to govern the whole of Russia than Admiral Kolchak possessed. The one thing needed was a firm hand to organise an army and an administration, and it was obvious that the Directory would never succeed in doing this. Admiral Kolchak's action has since been justified by success; for he has not only achieved a remarkable series of victories in the field, but has rallied the vast majority of the population, including the important Co-operative Societies, to his side.

Since Admiral Kolchak assumed office there have been no further political crises in Siberia. The Government is in the hands of a strong ruler and its success depends upon his wisdom and ability. Kolchak was not hitherto widely known even in Russia. He had played no part in politics and it was uncertain how he would shape. Determined he would certainly be, but would it be the determination of a Napoleon or a George Washington? A recent letter from Siberia characterises him as follows: "Kolchak is a great man. He is cultured, not ambitious at all, with

Russia's Revolt against Bolshevism

great moral force, highly strung and an ardent patriot. In internal political and purely Army matters, of which he knows very little, he is very careful, listens to advice, consults people, reflects over it and never acts on impulse. Certainly he makes mistakes, but he recognises them, alters them and does not insist on them."

Admiral Kolchak has had a difficult path to tread during the last few months and it would be idle to pretend that all is well with the administration. There are still many abuses to be removed and many defects in organisation, but those who have been on the spot report that there is a new atmosphere of hope, that confidence is being restored, justice has been re-established, taxes are being collected, and now that a beginning has been made there is a determination to carry the work through.

Admiral Kolchak has defined in various public addresses the main outlines of his political programme. When accepting power from the Council of Ministers, he said :

Accepting this cross of power, in extremely difficult conditions of civil war and utter disorganisation of the State life, I declare to the population that I will follow neither the road of reaction nor the disastrous way of party politics. My chief aims are the creation of a strong, fighting army, victory over Bolshevism, and the establishment of law and order founded on right. This will enable the nation to choose freely the sort of Government it prefers and to realise the great ideals of freedom now proclaimed throughout the whole world.

In a further speech at the end of February he declared :

In the Russia that is to be only a democratic *régime* is possible. The main task of the Government is to establish universal suffrage in the sphere of democratic self-government, and thoroughly progressive legislation in the sphere of labour and agrarian questions.

On the land question he has made equally satisfactory statements :

The two years of revolution have implanted in me the firm conviction that the land question cannot be left in its former con-

The Volunteer Army in Southern Russia

dition, but must be reviewed and based on new principles. These principles are a matter for the future National Constituent Assembly; the present Government can only solve the question practically as occasion arises. My Government regards it as an indisputable fact that small peasant proprietorship is the base of the country's prosperity and the Government will aid it at the expense of the large owners.

He has further pledged himself to the election of a Constituent Assembly, when order has been restored, in the following words :

I declare to you that the aim of the Government which I represent is to give to the country, so sorely tried by the Revolution, order, right and law, and to secure for the Russian people an opportunity, without violence from any party, freely to declare its will through a Constituent Assembly.

V. THE VOLUNTEER ARMY IN SOUTHERN RUSSIA

IN the first days of the Bolshevik revolution in Petrograd General Alexeyev made his way to Novocherkassk in the South of Russia and gathered round him a handful of officers. The Don and Kuban Cossacks had not at that time succumbed to the infection of Bolshevism and it was hoped that among the Cossacks a rallying-ground might be found against the Bolsheviks. About a month afterwards Alexeyev was joined by Kornilov who had escaped from imprisonment in Bykhov. They soon took up their headquarters at Rostov and entered into close relations with Kaledin, the Ataman of the Don Cossacks at Novocherkassk. At that time the Volunteer Army under Alexeyev and Kornilov numbered only a few hundred and was provided neither with munitions nor other military equipment.

The hopes they had placed on the steadfastness of the Don Cossacks were, however, soon belied. The Bolsheviks made active propaganda amongst the young Cossacks and misrepresented to them the aims of their leaders and of

Russia's Revolt against Bolshevism

the Volunteer Army Generals. The Cossacks are an independent people. They have always led somewhat of a roving existence and for that very reason under the old *régime* they enjoyed a status altogether different from that of other communities in Russia. It is true that the theories of Bolshevism were not likely to make any lasting appeal to them, but the spirit of revolt was in the air and the Bolsheviks were prepared to use this spirit for their own purposes. Kaledin, seeing the apparent hopelessness of the position, shot himself on February 11 at Novocherkassk, perhaps in the hope that this might bring the Cossacks to their senses. His tragic death did have a momentary effect on them ; for a few weeks they rallied, but then again the same spirit of disorder gained the upper hand.

A few days after Kaledin's death the Volunteer Army was forced to move its headquarters from Rostov to the Stavropol Government. Their forces at this time numbered not more than 2,600 all told. Here, without any sanitary arrangements and constantly harassed by Bolshevik bands which controlled the main roads and railways, they kept up a dogged resistance entirely cut off from any means of help. At the beginning of March news reached them that the Kuban Government had fallen and that the Bolsheviks were masters of Ekaterinodar. Kornilov, reinforced by Kuban detachments that had fled from Ekaterinodar, determined to retake the city. On April 13 the decisive battle was fought for its possession. The Volunteer Army was unsuccessful and was forced to retreat, Kornilov having been killed on the field of battle.

It was at this time that the Volunteer Army heard the welcome news that the Don Cossacks had risen in revolt against the Bolsheviks. Novocherkassk changed hands several times, but was finally held by the Cossacks. Meanwhile the Volunteer Army, in spite of its recent reverse at Ekaterinodar, was gradually growing in numbers, officers making their way from Roumania and the Ukraine to join them. During the next few months Denikin, who had

The Volunteer Army in Southern Russia

succeeded Kornilov in the command of the Volunteer Army, organised the army into a real, modern fighting force. The Germans, meanwhile, since he had refused to come to any arrangement with them, endeavoured, by many devious ways, to hamper his organisation of the army.

In the summer Denikin, having captured Bataisk, again advanced into the Kuban district, and, after a series of battles, Ekaterinodar came into his hands on August 15. From Ekaterinodar he advanced to Novorossisk on August 26, thus reaching the coast of the Black Sea. During the autumn and winter Denikin gradually cleared Kuban, Stavropol and the Northern Caucasus of the Bolsheviks.

The history of the Don Cossacks during the summer of 1918 was rather different from that of the Volunteer Army. The German troops, having penetrated as far as the Donets basin, came into touch with the Don Cossacks at Novocherkassk, and it was through their influence that the reactionary General Krasnov was appointed Ataman of the Don. The agreement was that the Germans would supply him with munitions against the Bolsheviks, the former hoping that through the Don they might bring over the Volunteer Army to their side. In this, however, they were unsuccessful, and, by the time of the armistice in November 1918, the Don Cossacks were able to shake themselves altogether free from German influence.

Once the Germans had disappeared, closer relations were established between Denikin and the Don Cossacks, but Krasnov's reactionary policy, and that of the reactionary generals and politicians by whom he was surrounded, led to constant friction between his staff and that of the Volunteer Army. This was only removed when Krasnov retired early in 1919 and General Bogayevski, who had previously fought in the Volunteer Army, took his place. Bogayevski lost no time in making it clear that from henceforward the army of the Don Cossacks would work in the closest accord with the Volunteer Army.

Russia's Revolt against Bolshevism

The military history of the Volunteer Army is an epic even more romantic than the exploits of the Czechoslovaks in Siberia. The difficulties they had to overcome were enormous, and on many occasions one would have thought the stoutest hearts must have failed. The chief credit is due to Alexeyev, who organised the army during the most difficult months until his death from strain and overwork on October 8, 1918, and to Denikin, who, since he succeeded Alexeyev, has held the army together both by his soldierly qualities and his political commonsense. As far back as August 19, 1918, Denikin defined the aims of the Volunteer Army in the following words :

The Volunteer Army cannot become a weapon for one or another political party or public organisation. Then it would cease to be Russia's State Army. The Army will never try to restrain other people's thoughts and consciences. The Army says to you simply and honestly : "Whether you belong to the Left or the Right, love your tortured native land and help to save her."

General Denikin's present Administration with its headquarters at Ekaterinodar should not be regarded as an independent Government ; it is purely of a temporary character designed to facilitate the work of the Volunteer Army until union is effected with Kolchak's troops, as Denikin has openly placed himself under the authority of Kolchak. The Administration itself that is attached to the Volunteer Army represents all shades of political opinion, from Mr. Sazonov to Messrs. Astrov and Stepanov, both of whom are Cadets and members of the National Centre. The main lines of the policy of the Administration, as published in the *Times* on May 5, are the following : (1) Abolition of Bolshevik anarchy and institution of law and order ; (2) Reconstruction of a powerful, united and indivisible Russia ; (3) Convocation of a People's Assembly based on universal suffrage ; (4) Decentralisation by means of wide regional autonomy and liberal local self-government ; (5) Guarantee of full civil and general freedom ;

The Russian Representatives in Paris

(6) Immediate agrarian reforms with a view to meeting demands for land by the working-classes ; (7) Immediate Labour legislation, securing the working-classes from exploitation by the Government or by capitalists.

VI. THE PROVISIONAL GOVERNMENT IN NORTHERN RUSSIA

THE Provisional Government in Northern Russia, comprising the Archangel and Murmansk areas, came into existence at the beginning of August 1918 at the time of the Allied expedition. Chaikovski was chosen as head of the new Government and the Ministry formed by him consisted almost entirely of Social Revolutionaries. Chaikovski himself is a veteran member of the Social Revolutionary Party and before he proceeded to Archangel was in association with the National Centre in Moscow. The policy pursued by his Government is based on the decisions formulated in Moscow and closely follows the declarations of Kolchak which have already been quoted. The main principles are the armed struggle against the Bolsheviks until they have been overthrown, and, when this has been accomplished, the summoning of a Constituent Assembly. All the evidence goes to show that the Government, which has since its formation been remodelled on a broader basis, closely reflects the wishes of the local population.

VII. THE RUSSIAN REPRESENTATIVES IN PARIS

THE Governments of Admiral Kolchak, General Denikin and Mr. Chaikovski include the whole of the Russian forces at war with the Bolsheviks. There are other Anti-Bolshevist forces in the field consisting of Estonians, Letts, Lithuanians and Ukrainians, but so far there is no co-ordination between them and the Russian

Russia's Revolt against Bolshevism

forces, nor are their aims the same. The peoples of the Baltic Provinces and the Ukrainians all claim complete independence of Russia and refuse even to discuss the question of federation. As a result of the collapse of the former Russian State the doctrine of self-determination has run riot in Russia, and new national formations have come into existence which, before the Bolshevik Revolution, never claimed anything more than federation. It is clear that no one formula can cover these several problems and that each of them must be settled on its merits. There are many interests to be considered—national, political and economic—and it is certain that Russian interests cannot be completely ignored without causing trouble in the future. If a solution is to be found in Paris it would be as well for the future security of the territories concerned that it should not fly in the face of the declarations already made by the official representatives in Paris of the Russian Governments, who, even though their Governments have not been recognised by the Allies, can rightly claim to speak for the whole of the Anti-Bolshevist forces in Russia.

The Russian representatives in Paris have formed themselves into a small central committee presided over by Prince Lvov, who is assisted by Mr. Sazonov, Mr. Maklakov, and Mr. Chaikovski. Prince Lvov represents the former Provisional Government, of which he was the first Prime Minister, Mr. Sazonov the Governments of Admiral Kolchak and General Denikin, and Mr. Chaikovski the Government of Northern Russia. So long as no Russian Government is officially recognised by the Allies the representatives of Russia have not been admitted to the Peace Conference, but the Russian Committee has explained its views on the main questions concerning the future territories of Russia. The Russian point of view on the self-determination of the border nationalities, with the exception of Poland and Finland, the latter having now been recognised by both the British, French and American Governments, is as follows: "They are prepared to

Conclusions

regard as *de facto* Governments the authorities set up by these nationalities, in so far as they are inspired by democratic principles and enjoy the support of the population they govern, and they are in consequence ready to give their assistance to these nationalities in the matter of their political and economic organisation." Though this declaration has not been accepted by the nationalities concerned, who still maintain their demand for complete independence, it might perhaps provide a basis for further negotiation.

VIII. CONCLUSIONS

THE foregoing sketch of the Anti-Bolshevist movements in Russia has endeavoured to show how the opposition to the Bolsheviks took shape and along what lines it has developed. The Bolsheviks by their uncompromising and irreconcilable attitude drove every other party into violent opposition and united many who, under the Provisional Government, had been unable to sink their differences. Amongst the non-Socialist parties in Russia there were certainly never any illusions about the Bolsheviks, and those parties who stood to the Right of Kerenski frequently urged him to adopt more vigorous measures against them. But before the Bolshevik Revolution all members of the Soviet were leagued together under the name of "*tovarishchi*" (comrades), and, no matter how far removed they were from one another in policy, there was with the majority a strong disinclination to take action against any *tovarishch* for fear that domestic differences within the Socialist parties might lead to the triumph of the hated *burzhui* (bourgeoisie). Apart from small groups of Socialists, such as those who rallied round Plekhanov, the Soviet as a whole, even when it was predominantly Menshevik, refused to take stock of its actual position and sever all connection with the extreme Left, whose policy, it was known even at

Russia's Revolt against Bolshevism

that time, was entirely incompatible with that of the main body of Socialist opinion.

This lesson was not learned until it was too late ; until the Bolsheviks had dispersed the Constituent Assembly and openly taken their stand against Social Democracy. It was not till then that Socialist opinion united against the Bolsheviks, who singled out their opponents in the Socialist camp for exceptionally harsh punishment. These founders of the Third International, who, to show their complete dissociation from the "Social-traitors" of the Second International, erased the name of Social-Democrat from their programme, have ever since covered with abuse the Socialists of the whole world who have not completely thrown in their lot with them. And yet in other countries leading Socialists, such as M. Longuet in France, still work for an understanding with the Third International. While advocating the re-establishment of the Second International, they favour a policy that would gradually merge it in the Third. Even when the Bolshevik *tovarishch* brands his Socialist opponent as an enemy and a traitor, the latter refuses to break the spell that would bind them all together under the misleading name of *tovarishchi*. So long as Anti-Bolshevist Socialists continue this nominal connection with the Bolsheviks it is not surprising that those who do not examine closely the differences between them should be inclined to class them all as Bolsheviks.

It is this which lies at the back of much of what has happened in Russia since the organised struggle against Bolshevism began, and it goes a long way towards explaining the reason for Kolchak's *coup d'état* in November 1918. Chernov's internationalism was an impossible weapon with which to combat Bolshevism ; if Russia was to be restored and liberated from the Bolsheviks it could only be done by a vigorous national and patriotic movement. That is the essence of Kolchak's programme, and those Socialists who take their stand on a national basis, as do Mr. Chaikovski and many others, are prepared

Conclusions

to support the aims which both Kolchak and Denikin have proclaimed.

Simply because the Anti-Bolshevist movements, as represented by Kolchak and Denikin, have put the question of firm government and a strong military force in the forefront of their programme, many people have jumped to the conclusion that they are reactionaries. Many English Liberals have taken up this cry and tend to sympathise more with those who are content with wholesale professions of democracy than with those who make vigorous action their main object. Russian Liberals, who in principle accept the same democratic programme as advanced Liberals in this country, are rightly indignant when their present attitude meets with constant suspicion here. They see the dangers threatening their country, the ignorance and demoralisation of the masses, and the urgent necessity for a firm hand in restoring and maintaining order until Russia has had time to breathe again and recover her balance. They do not wish to repeat the mistakes of the Provisional Government and lead their country back again on the road which ends in anarchy.

POLITICAL AND ECONOMIC DEVELOPMENTS IN THE UNITED STATES

WHEN President Wilson sailed for Europe on March 5, he left the people of this country rather sharply divided on the subject of our foreign relations. The constitution of the proposed League of Nations was before the country ; the Senate had just adjourned in an angry mood ; and the great appropriation bills for the maintenance of the Government's policy of railway control and the better distribution of the returning soldiers had been defeated by an unusually bad " filibuster." The President himself seemed the least disturbed of all. He announced in the New York speech that he would come back with the League of Nations idea so bound up with the treaty that none would dare undo his work. It was a challenge, a challenge from a President who had but recently lost control of both Houses of Congress.

Immediately, the senators who had made a pact among themselves to defeat any League of Nations constitution that did not please them began a canvass of the country. Senator Borah, who is credited with presidential aspirations, became the leader. Senator Reed, who heads the reactionary Democratic machine of Missouri, which has always opposed the President, has been the next most active. Senator Knox presented the only constructive criticism of the President's foreign programme, but his point of view is that of the most active commercial and financial group in the Republican party, just as Reed's opposition represents

Political and Economic Developments

a similar interest in the Clark wing of the Democratic party.

The tone of New England opposition has been quite different, for Senator Lodge recognises the weakening position of his party in that region, and, moreover, the influence of President Lowell of Harvard University, given unequivocally to the cause of the proposed League, went a long way to temper the feeling of Republicans in that section. At the debate between Lodge and Lowell in March, it was agreed that Lowell had the better of the discussion, and that New England would probably bring pressure to bear upon its senators in Congress that would compel ratification of the treaty, including the League agreement.

But the activity of Senators Borah and Reed continued. They spoke to large audiences in the cities of the Middle West till well past the middle of April. In all their meetings, emphasis was always laid upon the supposed interest of Great Britain in the League and upon the grievances of the Irish. This is an important point in all the great industrial cities of the North; for, as all must know, the Irish have hitherto voted with the Democratic party. Indeed it has become apparent, since the League of Nations idea became a serious political fact, that the American Irish are more Irish than the Irish Irish. In Europe, the Irish realise that after all England exists and must be reckoned with. Here the Irish know that President Wilson fears their defection from the Northern section of his party. They, therefore, claim the President as their own, and threaten him with ruin if he does not submit to their dictation.

Nowhere is this situation more critical than in Illinois, where the Irish are disposed to unite with the Germans, who have never forgiven the President for going to the aid of Britain and France in 1917. Irish demonstrations in Chicago are now immensely strengthened by increasing German accessions. And in Chicago, at any rate, the

Political and Economic Developments

German section is too strong to be ignored. It doubtless determined the recent remarkable election of an avowed pro-German for mayor of the city. Until recently it seemed quite clear that Illinois, for twenty-five years a solidly Republican State, had become debatable ground as between the great parties. President Wilson has had a growing influence in and about Chicago since the beginning of the war. But the Senatorial opposition to him made itself strongly felt there because of the Irish-German combination. For a month after the President sailed, it seemed that the opposition to him might win. Senator Sherman and Senator McCormick, the new Republican leader, have made the most of the complicated situation.

Still, the real cause of the campaign against the League of Nations and the President is deeper seated. The whole great industrial belt which extends from Boston to Chicago is, with certain exceptions, opposed to any international combination which involves American business. The interest in the Monroe Doctrine is largely an interest in commercial exploitation, which might suffer from any sort of international regulation of world affairs. It is this that lends importance to the attitudes of Senators Knox and Penrose and the other senators from the Middle states of the East. And of course the suggestion in the President's fourteen points that trade ought to be free only adds fuel to the industrial fires of opposition.

However, the perfectly disinterested *rôle* of Mr. Taft has aided the cause of a better peace and divided the Republican opposition. The speech of Mr. Taft from the same platform with the President, as the latter was about to sail, has been widely commented on by people who would otherwise have aligned themselves with the opposition. And the American League to Enforce Peace, of which the ex-President is the leader, has kept speakers in the field from the beginning. So that when the League of Nations covenant was reported as amended in the matter of the Monroe Doctrine, the attack lost much of its vigour. At

in the United States

the moment, it does not seem likely to be renewed. The belligerent senators have returned from the campaign. Only the Irish opposition and certain newspaper complaints, notably that of the Hearst press, remain. The President has won.

What has made this sudden turn in affairs more sudden has been the daily dispatches from Paris showing how hopeless the European situation is without some sort of international support for those small nations called into existence by the war. The last month has given Americans a new view of European affairs. It has tended to strengthen the contention of the "older Americans" that nothing less than a new *régime* could save Europe from herself, and that, therefore, American entrance into the war was not to be expected upon any other terms than the now justified fourteen points. And those parts of the country, the South and the wide farmer districts of the West, with which the President laboured longest in persuading them to support American entrance into the war, are just the regions in which Wilson is stronger than ever. Provincial America believes in the fourteen points. History seems now to have shown that they were indispensable to any peace that the United States would sustain.

There are, however, other currents in public life. For a time the dispatches from Europe brought disconcerting news from Russia. Labour troubles in England seemed to confirm the Russian cables; and both Hungary and Bavaria added to the anxiety a week or two since. People do not realise the peril of hunger at this distance, and hence they felt that the Bolshevik method might gain wide acceptance here. For a time industrial leaders were frightened. They are not yet easy in their minds. But a better study of the European situation has brought to mind the facts of American life which run counter to any radical upheaval even in the great industrial centres.

But the labour situation is not without its peril. When the European War began, the United States was taking

Political and Economic Developments

about five hundred thousand working people from Europe each year. American industry was increasing its output enormously, except in certain lines where there was some nervousness about the social programme of a Democratic Government. The war stopped this increase of unskilled labour. It put a premium upon the labour already in the country. Hitherto American Labour leaders had never been able to organise to a fourth of their strength. The inflow of new labour, willing to work at relatively low wages, paralysed the great Labour movement which set in late in the 'seventies of the last century.

The war made Labour doubly self-conscious. It warned Capital that the old days of its complete control were gone. But the profits of industry were increasing so rapidly that higgling about wages and hours proved risky. Labour organisations had their day. Industries, like the Steel trust, which had never before yielded to organised Labour, surrendered. There was nothing else to do. It was very much the same in the vast coal-mining regions. Wages rose as they had never risen before.

Before the United States entered the war, the railway brotherhoods were able to dictate the Adamson law, which granted the eight-hour day and very liberal overtime concessions. Labour would have held up the vast supplies on their way to the war front, if the President had remained obdurate. The Adamson law marked a new era in the history of Labour in the United States. The representatives of Labour were for the first time more powerful in Washington than those of the united business men of the country.

Then came the war. Labour agreed with the Government to fight the war provided the workers received some portion of the vast profits that were making in all the industrial centres. A Labour conciliation board was quickly set up. The President was forced a Labour president. He probably sympathised with working people anyhow, since business men had generally opposed every move of his since his administration began. At any rate,

in the United States

Labour played a great *rôle* in the American part of the war : but not without calling into use every worker that could be mobilised.

Hundreds of thousands of negroes from the South were drawn northward by the railway corporations and the industrial establishments. There was urgent work at fabulous prices for every hand. This complicated many things. Housing problems and the cost of living in congested districts became governmental matters. Not only the negroes emigrated. The wheat farmer lost his usual supply of labour ; and thus the difficulty of increasing the output was increased, not to mention the natural rise of the price of wheat and other farm products. The war has revolutionised the industrial life of the country. How could all this congestion, these accustomed high wages and short hours, be managed when the war came to an end ?

The President endeavoured during the early autumn, when it suddenly appeared that the war was at an end, to set up an expert commission to find a way to solve all these problems. Two things hindered him. He was compelled to give practically his whole time to the diplomatic questions that arose every day ; and he was necessarily engaged in trying to win the congressional campaign then being conducted. The war came to an end quickly and he lost his majority, on very small margins to be sure, in both Houses. He was at last confronted with a hostile Congress. It was the most critical time, save for his momentous entrance into the war, in his leadership.

Realising that Congress would not allow him to conduct the reconstruction measures without a sharp contest, he abandoned the effort to steer the reconstruction programme and boldly announced that business men would take care of themselves better than the Government could do it. Doubtless this was his only recourse in the situation as it then stood. His only means of keeping the direction of the great business of reconstruction in his hands was to go directly to Paris and employ his personal and official

Political and Economic Developments

prestige upon the diplomatic situation. If he won, he would regain much, if not most, of what had been lost.

The one great doubt in the case was how would the demobilisation of war business and the vast army of four or five millions affect the very nervous industrial organisation. No one was in a position to guess what would happen better than the President. He guessed—and the guess, to the surprise of all, has come true. Great industrial leaders, desirous of seeing things go badly, did not dare purposely to slacken the pace of industry. Labour could not be put into the streets as had been the custom from time immemorial. The working people were too powerful, as we have seen. Besides the trend of events in Europe served as a club. Business continued as usual. Returning soldiers readily found employment, sometimes at the cost of businesses that did not require them. Social pressure was strong, and there have been no "bread-lines" either of soldiers or of unemployed work-people.

The luck of Woodrow Wilson has become a byword in the country. Once again the President was lucky. It proved to be the mildest winter in half a century. Outdoor work was possible all winter and there has always been need for new hands on the farms. Many soldiers and dismissed munitions workers have readily been re-absorbed in their native towns and country-sides. Besides, the greater munitions makers turned their plants into automobile establishments and continued hundreds of thousands of employees in their service. This industry has been unable to meet half the orders they received immediately after the war closed. This helped other industrial wheels to get under way. And now the spring is well advanced, and there are not workers enough for the positions that have been opened.

Another great factor in the situation has been the preparation of vast plans for road and street building by many of the states and cities of the country. The war halted many undertakings of this kind. Now they are set

in the United States

going again. The mild winter has given them a month's start of ordinary seasons. The absence of new labour from Europe makes it difficult to find workers for these improvements. And now that the farm work of the whole country calls for increasing numbers of helpers, there is really a dearth of labourers. The best opinion now forecasts a shortage of labour in the United States to the extent of some two millions. Labour, therefore, remains in the saddle, and the rate of wages cannot be lowered for some years to come.

It is practically impossible to procure domestic help in the cities. People who have never done their own house-work or cooked for themselves are now absolutely without house servants. The wages of those who do work in the homes ranges from ten to twenty-five dollars a week, prices which salaried folk are absolutely unable to meet—a group of people who find themselves almost helpless in the new order of things.

In spite of the fortunate situation of all labouring people, there have been frequent efforts of working-men leaders to set up a distinctly Labour party in the great industrial States, very much after the manner of the Labour party in England. The recent municipal elections in the Northern States were expected to test the strength of the movement. In Chicago, where most was expected, the results were disappointing. The Labour candidate for the mayoralty, John Fitzpatrick, polled little more than a fourth of the Labour vote.

But there is still life in the movement. In New York City, where there is a large "brain worker" group, the demand for active Labour participation in politics seems to be very strong. There are organisations in all the larger cities looking towards the same end. For the moment the attitude of Mr. Samuel Gompers gives room for much speculation. The next national Labour convention is to meet in Atlantic City in June. It is expected that Mr. Gompers will be unhorsed on that occasion. But the

Political and Economic Developments

success of demobilisation, the increasing demand for workers of all classes, and the natural tendency of the American Labour movement favour Gompers. Moreover, the President has made Mr. Gompers very prominent in world affairs and this will give him added strength.

Whether Labour converts its great organisation into a practical political party or not, the war has witnessed the sudden upgrowth of a farmers' movement of great significance. It is a recrudescence of the great farmer movement which preceded the first and great Bryan campaign, that of 1896. The transportation and boards-of-trade interests have for many years dominated the farmers. It has been impossible, in spite of the general rise of prices of farm products before the great war, for the farmers materially to improve their economic situation. Everything seems to operate to prevent the country folk from profiting from the upward tendency of prices. In many, if not most, instances half the value of farm produce was taken to pay transportation and middle-men's charges. And everywhere the drift of young men continued toward the city.

In North Dakota, a community almost wholly agricultural, an organisation was set up three years ago by Mr. Townley and his colleagues which was designed to break down the power of railroads, boards of trade and the banks over the farmers. The organisation was called the Non-Partisan League. It drew Republicans and Democrats into its ranks. It won complete control of State and county affairs in North Dakota. It set up co-operative mills, banks and elevators. It became dictator in the community, and quickly won large followings in the neighbouring grain-producing States of the North-west. At present it seeks allies among the Labour groups in the industrial districts. And in all the Labour pronouncements, the farmers are counted as allies and even leaders in the coming era. It is a repetition of the campaign of twenty-five years ago. How much influence this new organisation of workers is to exert in the affairs of the country cannot be forecast.

in the United States

In the South the declining price of cotton since the signing of the armistice and the increasing difficulty of finding labour for the spring planting have brought into being an even more important organisation. The cotton farmers have many times before endeavoured to combine for the control of prices and the limitation of the annual acreage. They have invariably failed. This movement risks a similar failure. But there are some new elements in the situation which British mill owners might take note of. One of these is the fact that, owing to bad seasons and the increasing scarcity of negro labour in the cotton belt, there has not been a fair crop of cotton produced since 1914. The shortage of cotton on hand is acute. The farmers know this.

Another fact is the financial situation. Hitherto the bankers of the South were never in a position to finance cotton farmers' holding concerns. Now there is plenty of money, and the bankers have come to respect farm organisations as they have never done in the past. There is now plenty of business support to the farmers. And everywhere land-owners have united to hold all the cotton on hand and to limit the acreage for the next crop. The scarcity of labour makes it impossible, at best, to plant an average crop. And since the world is already short of cotton, a quick effect is expected from this new cotton movement.

As has already been pointed out, the labour supply of industry is far below normal. Wages in the cities must therefore remain at their present high level for some years. This makes the pull of the cities upon the country all the greater. Wages are already extremely high in the country. Indeed, most farmers and their families must do all their own work. They are under a great strain at present to keep up production. It cannot be kept up if the other work of the country is to be done. The farmers are then surely becoming a greater factor. They will demand high prices for staple products. They will influence Govern-

Political and Economic Developments

ment and perhaps secure from Mr. Wilson all the support he can give them.

Aside from the League of Nations issue, the tense industrial situation and the farmers' movement, there are still other things that will tend to make the economic and political life of America interesting in the near future. One of these is the railroad problem. The Republican "filibuster" in the Senate deprived the Government of the necessary funds for continuing the present management of the roads. But the country could not stop its business because three or four senators chose to speak all night on March 4. The trains must run and freight must be delivered. Mr. Hines, the general manager of the roads under the war control system, was for a moment greatly perturbed. But other departments of the Government, finding themselves in funds, agreed to lend to the railroad administration some hundreds of millions. Private bankers likewise offered money and credit. Mr. Hines continued his work.

Now the question of a permanent railway policy confronts the country. Congress assembles in the early summer. It is narrowly Republican. Some Republicans are very hostile to public ownership or control of the railways; some favour public ownership and control. The Republican majority is only one or two in the Senate and very small in the House. What can be done? The President, who can hold nearly all of the Democrats in line for Government control if not ownership, must write the solution. He will, therefore, control Congress upon this issue as indeed he is apt to do in all other vital matters. Even if he had less power and were less experienced in great affairs, he has one weapon of transcending importance: the united railway brotherhoods, who exacted the Adamson law in 1916, now declare against a return of the roads, which they run, to private hands. They have a plan of their own and they have, as all the world knows, a power which is actual and which cannot be gainsaid. A strike of all these groups would simply put a stop to all business.

in the United States

Everybody looks, therefore, to Mr. Wilson to manage the railway situation so that a definite settlement of this old problem may be made before very long.

Already the President has authorised a statement in Paris that he is no longer thinking of a battle royal with the Senate over the treaty or the League of Nations constitution. The next step must be taken; and, in true Wilsonian manner, the way has already been prepared. The President says he will call a conference of Labour and Capital to meet him very soon after his return from Europe. The object of this conference is, as everybody knows, the solution of the old question of the proper relations of workers and employers in large industries. In other words, the President will endeavour to forestall any possible Bolshevik movement in the industrial region of the United States. His method is to bring about a co-operation of workers and employers which shall give each a fair share of the returns of industry. It is supposed to be a modification of the so-called Whitley scheme in England.

Some great employers have already made beginnings. Many others are reported to be ready for a settlement of the old quarrel. It is not to be a pension system, nor a profit-sharing arrangement whereby the employers are to have complete control. It is to be a partial control by Labour of the policy of industry. In return for this partial control, Labour is expected to prevent sabotage of all sorts and to discipline its members so that high rates of production may be maintained.

Here, again, the President takes the lead, as indeed he must do unless we are to run grave risks of chaos. For the demand for labour is so great that no industry can stand alone any more. Society must help if the needs of society are to be met. It is significant that this new move is already scheduled. It is Mr. Wilson's way to fight for his plans and his ideas till a decision begins to appear. Then he moves upon another objective, apparently

Political and Economic Developments

of the most pressing importance. In this way he avoids quarrels and recriminations with members of Congress, and leaves it to the country to bring recalcitrant opponents to their senses and get them ready for another and, ere that time, more vital concern.

Of course everybody is asking whether these complications will cause the President to offer for a third term. In this country that would be a greater revolution than it was for us to enter into the European War. It took the President two full years to convince a majority of Americans that a world dominated by Imperial Germany would be an impossible world for them. At last he succeeded and the great thrust across the Atlantic was made. The success of it still depends, from the American point of view, upon what is done in Paris. If Mr. Wilson comes home with a treaty that he can pronounce successful, he will be in a very strong position. And the position of the opposition will be correspondingly weak. The other and equally great matter, a matter which he had to drop when we entered the war, a far-reaching reform of industry, will press for attention.

Of course little can be done before the presidential election. But the programme can be prepared. That is what is to be done this summer. It will probably be the ratification of the treaty, the adoption of the constitution of the League of Nations, and the acceptance on the part of the country of the mandates for those countries assigned to us. The domestic programme will probably be Government control of railroads, the settlement, as has been said, of the relations between employers and workers, and perhaps the public control of the great packers and the coal mines. On all these matters there will be sharp differences of opinion and the party leaders will prepare for the election of 1920—an election which will be regarded as marking the close of the war period and the beginning of a new era.

Chicago. April, 1919.

INDIAN POLITICS

I. THE ECONOMIC SITUATION

SINCE the cessation of hostilities the economic situation in India has been severely strained. Along with the continued rise of prices, which has caused widespread disappointment and among the poorer classes considerable distress, has come a shortage of food supplies. The autumn crops were seriously restricted in output over a very wide area, and it had been found necessary in the autumn to intimate to the Secretary of State India's inability to continue the purchase and export of wheat and foodstuffs other than those required for Mesopotamia itself. In December steps were taken to supplement India's shortage by purchases of wheat from Australia, and under the arrangements then made it is hoped that some half a million tons will arrive before July next. The Food Controller has continued to be responsible for the utilisation of India's food supply to the best possible advantage. The movement of two essential commodities, rice and wheat, was at an early stage withdrawn from the hands of the local Governments, and measures were taken to secure the export of food from provinces having a surplus to those which were likely to show a deficit. During the first three months of 1919 the monsoon situation showed some signs of improvement. The hope of a satisfactory spring crop is now brighter, and together with the imports of Burma rice and Australian wheat the crop is likely to be sufficient to carry the country on until the monsoon harvest. At the same time the situa-

Indian Politics

tion is not free from anxiety. At the moment of writing famine has been declared in parts of the Konkan, of Berar, of the Central Provinces and of Gujerat. Scarcity has been declared in a very wide area throughout the tracts mentioned, and test or relief works have been undertaken in large portions of Central India. Prices have reached an abnormally high level, and the lot of labour both in the country-side and in the towns has become increasingly difficult. Economic unrest is indicated by serious strikes in Bombay and in Madras, directed towards securing an immediate increase of wages. Palliative and relief measures have been taken on a large scale. Liberal advances have been made to agriculturists, programmes of public works are being expanded to provide employment for labour, and direct relief, such as the opening of poor-houses on a small scale and the distribution of gratuitous assistance, has already been undertaken.

II. POLITICAL PARTIES AND THE PROPOSED REFORMS

AT the beginning of November, before the armistice was declared, the Moderates held their conference in Bombay. Although they were bitterly attacked by the Extremist press, they maintained their attitude of aloofness from the Home Rule Leaguers, and steadily supported the general principles of the Montagu-Chelmsford scheme. They received considerable support from the English-edited press, as well as from their own organs. It was pointed out that the Moderates had a great part to play as a central party, which might hold the balance between the Conservatives on one side and the Extremists on the other. Their leaders decided that the newly constituted Moderate Party should abstain from attending the approaching Indian National Congress. It was well recognised that so long as the machinery of the National Congress was controlled by the Extremists, Moderate opinion would have but little

Political Parties and the Proposed Reforms

chance of making itself heard. Generally speaking, the victorious termination of the war and certain other events, particularly the appointment of their most prominent representative, Lord Sinha, the first Indian peer of the realm, to an Under Secretaryship of State, have added considerably to the strength of the Moderates. A Liberal League has been started in the United Provinces, on the model of that founded in Bengal in July last, with the object of uniting the Moderates of Upper India into a coherent political organisation. It is generally expected before long that the Moderates of the Central Provinces will follow suit, and in Madras a beginning has already been made by the formation of at least one local Liberal League. The coherence of the Moderate Party largely depends upon the future of the Montagu-Chelmsford Reform Scheme. If the proposals embodied in that Scheme are seriously whittled down, the Moderates, who have pinned their faith to them, will be discredited. The more youthful members of the party will probably join the Extremists, and the older men will retire from political life altogether.

The Extremists, on the other hand, have failed to consolidate their party unity. With the termination of the war the Extremists showed signs of splitting up. The more cautious members began to revise their attitude towards the Reform Scheme. The more advanced, on the other hand, moved even farther away from the Moderates. The advanced Extremists have carried social and personal enmity further than ever into the sphere of politics, assailing with intense bitterness those who oppose them, whether Indians or Europeans, and in every walk of life. On the occasion of Lord Willingdon's retirement from Bombay, they made disorderly attempts to prevent a public meeting being held in the Town Hall to propose a memorial to him, less perhaps out of personal hostility towards him than as a protest against any display of gratitude by Indians to British administrators, however signal their services to

Indian Politics

the community. There is no doubt, unfortunately, that the inflaming of racial feeling is playing an increasingly large part in the tactics of the Extremists. In the Indian National Congress, held in Delhi in December, 1918, where the Extremists were all-powerful, great impatience was displayed at speeches in English, and the whole tone of the proceedings was one of defiance. Every effort had been made to secure a gathering of record size in order to eclipse the success of the recent Moderate conference in Bombay. As a result, there were some 5,000 delegates, including 1,000 agriculturists who had been given a free trip to Delhi. Among the most important of the resolutions was one reaffirming the decision of the special Congress at Bombay, to the effect that the Reforms Scheme was disappointing and unsatisfactory. Amongst the three members of the Congress selected to go to the Paris Conference as "representatives of the people of India" was Mr. Tilak, then in England in connection with his libel action against Sir Valentine Chirol. Other resolutions asserted India's right to self-determination and immediate Home Rule. In the meeting of the All-India Moslem League, held almost simultaneously in Delhi, the same temper prevailed. The anxiety of the Mahomedans at the military disasters of Turkey was stimulated and exploited by the Extremists. Inflammatory speeches were addressed to the meeting, and every effort was made by the introduction of religious leaders to bridge the gulf existing between the politically minded Mahomedans and the Mahomedan community at large. Since religion and politics are inseparably connected in the mind of the Mahomedan, the Hindu extremists hope to inflame the Mahomedan community against England and to bring them over into their own camp by espousing the cause of Turkey and representing the spiritual as well as the temporal power of the Sultan and Khalif to be in danger. There is no denying the fact that the Mussulman community as a whole is extremely uneasy. Dissatisfaction at the political humiliation of Turkey is combined with fear of

The "Rowlatt Bills"

Hindu domination after the reforms have been introduced, but at present the tendency is for the "young" Mahomedans to make common cause with the more advanced Hindu extremists.

The split between the two sections of the Extremists has widened as a result of the Delhi meetings. Even Mrs. Besant and the members of the Home Rule League have been cold-shouldered and are alarmed at their own Frankenstein. There seemed at one moment a prospect that the Home Rule League would combine with the Moderates in the formation of a new political party, but this unnatural union has not yet been consummated. Still it is not without significance that a couple of months after the Delhi meetings Mrs. Besant and some of her immediate followers resigned from the Madras Provincial Congress Committee. The result of the Tilak-Chirol case was a blow to the Extremists, who of course denounce the verdict of the London jury as another gross denial of justice to an Indian. They have also been disappointed by the reluctance of the Moderates to follow their lead in opposition to the Rowlatt Bills as far as "passive resistance."

III. THE "ROWLATT BILLS"

THE introduction of Bills based upon the Rowlatt Report was the most sensational item of business before the Imperial Legislative Council. The Report of the Committee presided over by Mr. Justice Rowlatt has not attracted in England the attention which it deserves as a semi-judicial record of the criminal activities for which Indian Extremism has been largely responsible since Mr. Tilak, as the first chapter of the Report shows, started his anti-British campaign in the Deccan some five and twenty years ago. The Report describes the growth of the revolutionary movement in different provinces, but

Indian Politics

dwells specially upon the developments in Bengal, where it led not only to the largest number of violent outrages and murders both of British and Indian officials, but assumed a particularly noxious form of dacoity or robbery by armed bands chiefly recruited amongst the so-called "educated" youth of the province, belonging to the *Bhadralok* or "respectable class." The list of crimes perpetrated from 1907 to 1918 is as appalling as the brutality with which they were committed, and the evidence shows how widespread was the criminal organisation and how poisonous the propaganda conducted in the schools and colleges. Equally deplorable is the evidence furnished in the Report of the difficulties that arose in dealing with these forms of crime owing to the absence of any healthy public opinion and the terrorism which too often deterred the law-abiding Indians from venturing to come forward and give evidence. The Defence of India Act strengthened the hands of the Executive during the war, but that Act will expire six months after the formal restoration of peace. The Rowlatt Committee was therefore driven to the conclusion that, in the face of the anarchical movement which its enquiry had revealed, the ordinary machinery of law and order would then be helpless, and it recommended further legislation to strengthen it.

Accordingly, Government determined to introduce two measures in the spring session of the Imperial Legislative Council with the object of giving effect to this proposal. One of these Bills was a temporary measure intended to deal with the situation which will arise on the termination of the Defence of India Act. The cessation of the powers conferred upon Government under this Act would have entailed the release of many dangerous anarchists who were only waiting a favourable opportunity for the revival of their nefarious activities. A Bill was accordingly framed by Government to enable anarchical offences to be tried expeditiously by a strong Court consisting of three High Court Judges, with no right of appeal. This

The "Rowlatt Bills"

procedure was only to be brought into operation when the Governor-General in Council was satisfied that offences of a revolutionary character were prevalent in any particular part of British India. In circumstances where the Governor-General was satisfied that movements likely to lead to the commission of offences against the State were being extensively promoted, further powers were to be assumed. In an area where such conditions prevailed the local Government was to have power to order persons reasonably believed to be actively concerned in such a movement to furnish security, to reside in a particular area, or to abstain from any specified act. In order to ensure that the powers of Government were not exercised unreasonably, the Bill provided a safeguard in the constitution of an investigating authority to examine the material upon which orders against any person were framed. This investigating authority was to include one Judicial Officer and one non-official Indian. In the third place, when the Governor-General was satisfied that certain offences were being committed to such an extent as to endanger public safety, the local Government in the area concerned was given powers to arrest persons reasonably believed to be connected with such offences and to confine them in such places and under such conditions as were prescribed. The Bill further provided for the continued detention, subject to similar provisions as to investigation, of the dangerous characters already under control or in confinement. The purpose of the Act was therefore simply and solely to arm Government with power to deal with anarchical movements, after the exceptional machinery set up under the Defence of India Act had ceased to be operative. The second Bill was to make a permanent change in the ordinary criminal law of the land. The possession of a seditious document with the intention to publish or circulate the same was to be punishable with imprisonment. Promise of official protection against violence was to be allowable in the case of an accused person willing to turn King's evidence. District Magistrates were

Indian Politics

to be authorised to direct a preliminary enquiry by the Police in the case of certain offences, a prosecution for which cannot at present be launched without the sanction of the local Government. Persons convicted of an offence against the State might be ordered by the Court to execute a bond of good behaviour for a term not exceeding two years after the expiration of their sentence.

The publication of these two Bills was a signal for a violent outburst on the part of the Extremists. It was freely stated that Government's intention was to stifle all political activity, legitimate as well as unlawful. The Bills were stigmatised as the "Black Bills," and a movement was set on foot to organise passive resistance against them. Mr. Gandhi, the sturdy champion of his oppressed fellow-Indians in South Africa and a devoted social reformer, whose judgment is more conspicuous in the sphere of social amelioration than of politics, was induced to lend his widely venerated name to the movement. Great pressure was exercised upon the non-official members of the Imperial Legislative Council with the idea of organising a united Indian opposition to the passage of the Bills. The agitation continued with increasing violence after the Bills had been carried as far as the committee stage by use of the official majority. All the protests of Government to the effect that the Bills were intended merely to deal with anarchical and seditious crime were ignored, and no support whatever was obtained from any Indian member of the Legislative Council. The two Bills, after being referred to a Select Committee, were reintroduced into the Council, and animated debates took place. Government showed every desire to allay the apprehensions which the Bills were exciting. The duration of the first was limited to three years; many precautions were introduced into it with the idea of preventing its abuse by executive authority. The second Government agreed to revise. Despite all the efforts made to meet every possible objection, the Indian members of Council remained

The "Rowlatt Bills"

obdurate, though the conciliatory attitude of Government tempered the tone of the debates. It was indeed plain that to the Government itself the principles embodied in the Bills were distasteful, and that it was only driven to put them forward by a sense of overwhelming responsibility in the presence of a real danger to society. The Member in charge, Sir William Vincent, displayed every desire to meet the prejudices of non-official members, and to his successful handling of these very difficult measures must be ascribed in a large degree the restraint which on the whole characterised the proceedings in Council.

The Moderates, who have set their face against violent methods of political agitation, belied the hopes that might have been reasonably entertained that they would confine their opposition to certain features of the Bills and not refuse their support altogether to measures which Government solemnly declared essential to the maintenance of the public peace: but nevertheless their attitude failed to satisfy the Extremists. For their protests, if loud and persistent, were formulated in a dignified and constitutional manner, and they altogether refused to follow the lead of the Extremists when the latter proceeded to organise passive resistance to the measures.

Lord Southborough's Committees have concluded their labours and gone home, and the Government of India is understood to have embodied its views on the Reforms Scheme in an exhaustive despatch to the Secretary of State. Speculation is naturally rife as to the statutory shape in which the scheme will be finally presented to Parliament. The European members of the Indian public services have not disguised their apprehensions as to the effect the reforms may have on their future position, and they have been inclined to set up leagues and associations to examine such questions as retirements, pensions, and the like, by way of preparing for all contingencies. In several provinces Civil Service Associations have been organised or revived. This whole movement was largely misunderstood or mis-

Indian Politics

represented by the Indian-edited press, and held up to obloquy as an attempt to force the hand of Government in the interests of the Europeans. Lord Chelmsford, in his opening speech to Council, outlined briefly his ideas as to what their position would be, paying a generous tribute to their great achievements in the past. He denied that the proposals contemplated under the Reform Scheme would place the services in helpless subordination to inexperienced and possibly hostile Ministers. While it would be for Ministers in the future to lay down certain lines of policy, execution of that policy was to be in the hands of the permanent services. The pay, pensions, leave, and conditions of service were to be guaranteed at least by Statutory orders of the Secretary of State, which no authority in India would have power to disregard or vary. He earnestly deprecated any idea that the services would find their position made untenable. The result of the Viceroy's assurance was to relieve in some degree the more pressing anxieties which were felt by English public servants ; but it must be admitted that the Viceroy's views were greeted by the advanced Indian-edited press with a chorus of disapproval.

Another interest which also conceived its position to be menaced by approaching reforms was that of the British commercial community. The "European Association" had been inclined to impute to Government a tendency to treat commercial interests too casually, and the prevalent uneasiness was not allayed by the tardy proposal to introduce a tax on excess profits at a time when the opportunity for making such profits had almost disappeared. Lord Chelmsford sought to allay these apprehensions also by pointing out in the same speech that the Government of India would retain control over legislation likely to affect British commerce, and that any risk of injury by hasty or restrictive legislation in the provinces was slight, in view of the triple veto of the Provincial Governor, the Governor-General, and the Secretary of State. Safeguards against

The Budget

possible cases of hardship were moreover introduced into the Excess Profits Tax Bill.

IV. THE BUDGET

THE whole Budget, of which the Excess Profits Tax was the most discussed feature, excited great interest. Sir James Meston, the Finance Member, introduced a welcome variation upon former procedure when he prefaced the Financial Statement by a short speech, in which he confined himself to reviewing the salient economic features of the past twelve months. For details, he referred the Council to the paper on the table. The speech dealt with many matters of the highest importance—the effect of the armistice, the failure of the monsoon, the currency crisis through which India was passing. The Finance Member pointed out that as a result of the donation towards the expenses of the war which India had made in September, 1918, the year would close with a deficit of about £4½ millions. It was to meet this deficit that the Excess Profits Tax was being introduced. Army expenditure for the forthcoming year, the most rigid economy notwithstanding, was estimated at over £41 millions—just half the total budget of outlay. Despite this heavy charge, however, Sir James Meston was able to afford relief to many persons of small fixed incomes by raising the Income Tax limit, and also to allot to Indian railways no less a sum than £17½ millions. This was urgently necessary, as four years of war had played havoc alike with rolling stock and permanent way. Any attempt to curtail expenditure upon this head would, it was pointed out, seriously endanger the life of a goose which was laying golden eggs to the extent of some £50 millions annually.

It was generally recognised that the Budget was a remarkable one. The heavy expenditure upon the Army and upon railways did not commend itself to several of the

Indian Politics

non-official members ; but the raising of the Income Tax limit was very well received. The Extremist press clamoured for increased expenditure upon education, sanitation, and the like, without making any attempt to show how the money could justifiably be diverted from heads of greater immediate urgency. The Finance Member's remarks upon the evil effects of the hoarding habit and the phenomenal absorption of metallic currency during the last few years were the subject of some adverse comment in certain quarters, an attempt being made to show that Government, by its artificial creation of currency for war purposes, was to some extent responsible for calling into being a distrust of paper currency which manifested itself in an unsatisfiable demand for rupees.

India. April, 1919.

V. THE RECENT OUTBREAK

WHILST the preceding article was on its way home the campaign against the Rowlatt Bills, of which it describes the origin, has been followed by grave outbreaks of violence in various parts of India, which tend to show how necessary that legislation was in the presence of the dangerous revolutionary forces that are and have been for many years past incessantly at work in India beneath the surface.

The first serious trouble occurred in Delhi on March 30, for which day an Extremist society called the *Satyagraha Sabha*, set up to organise "passive resistance" to the Rowlatt Acts, had appointed demonstrations of "humiliation and prayer" in many of the chief cities of India. At Delhi the demonstrators compelled the native shopkeepers to close as a sign of mourning, and invading even the railway station attacked the vendors of sweetmeats in the third class refreshment room for continuing to ply

The Recent Outbreak

their trade in defiance of the strike ordered by the *Satyagraha Sabha*. The police tried to protect the vendors and arrested two of the demonstrators. Whereupon large crowds collected to effect their release and assailed the police with brickbats and sticks. Troops were hurriedly called out, and as the rioting increased, a few volleys of buckshot were fired, causing five deaths and a score of casualties. The columns to hand of the *Bombay Chronicle*, the organ of the Extremists in Western India, show how the "Delhi tragedy" was being exploited to inflame popular feeling, and specially to bring the Mahomedans into line with the Hindus, two of the men killed in Delhi happening to have been Mahomedans. The resignation from the Viceroy's Legislative Council of Mr. Jinnah, one of the Mahomedan allies of the Congress Extremists, was duly advertised in a truculent letter to Lord Chelmsford as a protest against the "black bills," which he declared to be unworthy of "a civilised Government." Pundit Madan Mohun Malaviya, after sitting for some time on the fence, followed suit soon afterwards, and so did the two Mahomedan Extremists, Hassan Imam and Mazar-ul-Haq. The public peace was not seriously threatened until April 6, which was set apart by the *Satyagraha Sabha* as a "day of mourning" for the Delhi "martyrs." On that day there were large and excited gatherings in several places and many shops were closed. In Bombay the mill hands struck work and a great meeting of Mahomedans was held at which Mr. Gandhi, who had unfortunately been induced to lend the weight of his Tolstoian convictions and high personal character to the "passive resistance" movement, and Mrs. Naidu, better known in this country as a distinguished poetess than as an excitable politician, made stirring appeals to Hindu-Mahomedan "fraternisation," and according to the Viceroy's telegrams "inflammatory language was employed in regard to events in Egypt" which had been at once grossly exaggerated and

Indian Politics

distorted for propagandist purposes in the Indian Extremist press. Amongst the inflammatory literature circulated by the *Satyagraha Sabba* there figured, for instance, prominently a life of Mustapha Kamel Pasha, the well-known Egyptian agitator. On April 11 the storm burst. There was heavy rioting at Ahmedabad, the second city of the Bombay Presidency, where the mob attacked and burned down the telegraph office and killed one European and one native police constable. Bombay itself stood on the verge of sanguinary disturbances, "averted," according to *The Times* correspondent's message, "only by the Governor Sir George Lloyd's prudent statesmanship and the great restraint of the police and military in the face of grave provocation." At Calcutta also there was a certain amount of rioting, in which Marwaris and up-country Hindus and Mahomedans of the lowest classes played the most conspicuous parts, and crowds of boys assailed the trams, forcing the passengers to alight and looting the tram conductors. But military assistance from the Fort restored order and prevented worse happenings. In the Punjab there was serious bloodshed. At Lahore rioting was speedily quelled; but at Amritsar the removal of two notorious agitators was the signal for wholesale rioting, and before troops had time to appear on the scene the mob had attacked the station, where a European guard was beaten to death, wrecked several public offices, burned the Town Hall and the National and Chartered Banks, and killed in circumstances of great brutality five Europeans, including two Bank managers. Several stations on the Katur-Amritsar line were also attacked, and a British troop train was derailed, fortunately without casualties, and at Katur the Post Office and the native tribunal were burned down, and two British warrant officers were killed, whilst parties of schoolboys, mobilised by the agitators, demonstrated their patriotism by attacking a European lady and child in a train. For a few days the news continued

The Recent Outbreak

to be alarming. The most ominous feature was the systematic attempt to destroy telegraphs and railways at the same moment in widely separated areas, as it betrayed the existence of a widespread and carefully planned organisation. But Government was not slow to take stern measures. Troops were rapidly moved to the centres of disturbance, and flying columns were sent through the country. Armoured cars and trains and in one instance aeroplanes were used to disperse the rioters ; and on April 14 a Resolution was issued by the Government of India asserting in the clearest terms its determination to use all the powers vested in it to put down "open rebellion" even by the most drastic means. Resistance, at first frequent and obstinate, especially in the Punjab, gradually abated, and by the end of April the Viceroy was able to announce that order had been generally restored, though in some places there was still considerable effervescence. Numerous arrests had been made, martial law had been proclaimed in certain districts, and in the Punjab the ringleaders were brought to trial before special tribunals. Measures were taken against some of the most virulent of the Extremist papers, such as the *Amrita Bazar Patrika*, of Calcutta, and the Bombay Government deported to England Mr. Horniman, the English editor of the *Bombay Chronicle*, which had gradually identified itself with the Tilakite Extremists and had become the most violent champion of the *Satyagraha Sabha* as well as of the wrongs of Turkey. Its culminating effort is stated to have been an utterly baseless allegation that the troops had used hollow and soft-nosed bullets against the mob at Delhi. Mr. Gandhi, who was treated with great consideration by the authorities, though they refused him permission to proceed from Bombay to the Punjab, was only slowly brought to realise what his less unworldly associates must have known and probably intended from the first, namely, that in such a country as India, where the masses are as excitable as they

Indian Politics

are ignorant and lend a ready ear to every rumour however false and even grotesque it may be, a "passive resistance" movement is bound to grow into a movement of open lawlessness and violence. Whilst always deprecating the use of force, he professed at first to court arrest and imprisonment, and he encouraged the publication of news-sheets and the circulation of prohibited literature in open defiance of the law. But suddenly, on April 18, he had to admit that he had underrated the forces of evil and advised his disciples to co-operate with Government. The *Satyagraha Sabha* Committee, of which Mr. Gandhi was President and Mr. Horniman Vice-President, resolved to "suspend temporarily civil disobedience to the laws." The "fraternisation" between Mahomedans and Hindus steadily abated, and important Mahomedan associations began to protest solemnly against the desecration of mosques which had taken place by the admission of Hindus to deliver fiery political orations to mixed congregations within the sacred precincts. Mahomedan officers of the Indian Army, and notably some of those who had come home after fighting the Turks, did good service by enlightening their Mahomedan fellow-countrymen as to the dangerous courses into which they were being led. Amongst the Hindus men of weight and influence rallied to the assistance of the authorities, and public opinion in this country warmly appreciated the Viceroy's statement that in not a few cases during these disorders Europeans have owed their lives to the courageous protection given to them by their Indian fellow-subjects. The attitude of the European population appears to have been marked throughout by great steadiness and self-restraint. British soldiers actually awaiting embarkation for England showed a fine example by volunteering to remain in India so long as the situation might require their services.

It is too early to attempt to analyse the many different causes which have contributed to these occurrences, but

The Recent Outbreak

the following passage in a weighty and temperate speech, delivered by Sir George Lloyd at an important public meeting in Bombay on April 16th, throws some light upon them. After explaining carefully the nature of the Rowlatt Acts and the gross misrepresentations to which they had been subjected in order to stimulate "passive resistance," His Excellency proceeded :

But, gentlemen, it is, alas ! clear that the disquiet over the Rowlatt Act is being exploited by some who have larger and more dangerous ends in view than the mere repeal of this Act. The present disturbances have none of the characteristics of constitutional agitation. What do honest men do and loyal men do who really desire to change the mind of Government ? Do they not, after Acts have been passed, exhaust every constitutional method before they commit themselves to wild resolves ? Has my Government ever tried to interfere with orderly meetings ? Have they interfered with the free expression of public opinion even when violently expressed ? In spite, moreover, of the great difficulties of dealing with crowds excited by wild talk, have not the Police and Military shown the most praiseworthy patience, tact and moderation on every occasion ? The military and police deserve the whole-hearted thanks and admiration of Government and the people of this Presidency.

What, however, has been the answer to Government's patience and moderation ? Open advocacy of law-breaking, the commitment of crime, murder, arson and pillage. We have the tragic story of Ahmedabad and Viramgam, and what has occurred in these places and in others is clear evidence of something more sinister and something more utterly fatal to the future of this country than ordinary agitation. A mob may loot shops, may indeed if excited commit violence of many kinds, but unless it is carefully organised it does not seize strategic railway points as at Viramgam, or as in Ahmedabad and other places direct its first efforts against telegraph offices, railway stations and the derailment of trains. This kind of action indicates revolutionary activity rather than agitation, coupled with cold-blooded and brutal murder ; and to talk of the pitiless way in which large stocks of grass have been wantonly burned in this year of famine shows the ruthless nature of the movement.

And now I would ask you, gentlemen, whether it is not time to reflect what is and must be the absolutely inevitable result of teaching the masses of the people disobedience to the law. It is not so much the Government that will suffer ; it can and will deal

Indian Politics

promptly with the situation and will not for a moment hesitate to do so in any and every manner in which it may be necessary. But if this spirit is allowed to permeate the minds of the people, it is you that will suffer and the people as well. It is your lives, your property, your industries, and what is more important than all, it is the good name and repute of Bombay that will suffer. This Presidency has been famous for its order, its progress, its spirit of liberty and for the close and happy relations between Europeans and Indians of all classes. One of my main desires in coming to this Presidency was to link still closer these relations, to make this Presidency the leader in all wise reforms. I do not ask your minds on the Rowlatt Act, although I do not share your apprehensions, for the issue is greater than that to-day. But I do say this, that if you do not openly denounce this revolutionary spirit, if you, the very leaders of opinion, do not fearlessly set your faces against these doctrines of lawlessness, be it in the trivial things or great, you will inevitably be the first to reap the whirlwind of which others have sown the wind.

The Rowlatt legislation and the "passive resistance" movement against it were clearly the occasion rather than the cause of the trouble. The racial hatred distilled for years past from the Extremist press and from Extremist platforms undoubtedly prepared the evil soil which has been lately fertilised by economic discontents arising out of the enormous rise of prices for all necessities of life and by the unprecedented sufferings due to two devastating epidemics of influenza and cholera. The perversion of schoolboys has long been a prominent and only too successful feature of Extremist propaganda, and it must be remembered that, owing to more precocious maturity and very early marriages, Indian boys are often married and fathers of families long before they have left school. The alliance, however temporary, between the Mahomedan and Hindu forces of lawlessness, both amongst the disorderly masses and the more advanced groups of politicians, is too grave a symptom not to deserve close investigation. The downfall of Turkey, with whose rulers the "young Mahomedan" Extremists coquetted for some years before the great War, has doubtless created some

The Recent Outbreak

uneasiness amongst the Indian Mahomedans in general; and the Hindu Extremists, who have been at pains to turn it to anti-British uses, seem to have succeeded, as did their forbears in the days of the Mutiny, in manœuvring the Mahomedans into the forefront of the struggle. But it must be noted that they found no support in the North-West Frontier province, where Mahomedan religious feeling is most intense, or among the Pathans and other wild tribesmen of the borderland. Nor does the Afghan attack on the Khyber Pass appear to have been in any way connected with the Indian disturbances, except that it may have been encouraged or precipitated by exaggerated rumours of trouble in India.

That there was at the back of the whole movement a sinister revolutionary organisation Sir George Lloyd has more than hinted, though the sources whence it drew its inspiration and its funds are still obscure. It may or may not be a mere coincidence that, according to a letter alleged to have been written by the Bolshevik representative in Stockholm to his employers in Petrograd before his expulsion from Sweden, he boasted of having succeeded in transmitting a large sum of money and explosives to Bombay in preparation for an outbreak timed to occur in March or April this year. This has not been the only indication of the percolation of Bolshevik propaganda into Asia.

On the other hand, the loyalty of the vast majority of the people of India has been no more fundamentally affected by these machinations than by the numerous plots and conspiracies engineered through German agencies, also chiefly in the Punjab, in the first year or two of the war. The Indian princes of the Punjab and other provinces have as always stood stedfastly by the British *raj*. The trouble has been confined after all to a relatively small part of India and has not touched the Central Provinces or the great Presidency of Madras, which Lord Pentland, who has been pilloried for years past as a reac-

Indian Politics

tionary by the Home Rule faction, has just handed over in undisturbed peace to his successor, Lord Willingdon, whose more progressive administration in Bombay did not save him from equally malevolent attacks before his departure at the hands of the Bombay Extremists. One may indeed hope that the lesson conveyed by recent events as to the danger of playing with fire will strengthen the determination of the Indian Moderates to cut themselves entirely adrift from the irreconcilables and to seek the advancement and salvation of their country in promoting the liberal scheme of constitutional reforms which will shortly be laid before the British Parliament. Whatever share may be assigned in these manifestations of violent disaffection to the general spirit of unrest engendered by a world-wide war or to a particular spirit of unrest in India due to political agitation, the British people can make no better contribution to the restoration of complete tranquillity and of the happy relations between the rulers and the ruled than by giving to the new Government of India Bill the most careful and generous consideration.

London. May, 1919.

UNITED KINGDOM

I. THE INDUSTRIAL UNREST

WHEN the last issue of *THE ROUND TABLE* went to press the industrial situation was so serious that it seemed as if before peace was made in Europe a social conflict of unprecedented gravity and unpredictable consequences might break out in Britain. The series of minor strikes at the beginning of the year were portents of the coming storm ; and in the middle of February, at the moment when it seemed about to break, the Government, wisely conceiving that the only way of clearing the air was a full and frank discussion of the industrial situation by both sides, convened a National Industrial Conference to which over 1,000 representatives of employers and employed in industries large and small were invited. It met in London on February 27. The discussion was opened by Sir Robert Horne, Minister of Labour, who took occasion to announce that the unemployment donation would be continued at a lower rate for a second period of thirteen weeks, and closed by the Prime Minister, who asked for confidence and co-operation between employers and employed.

You will never re-establish industry in this country and get everybody to do his best until you find that they have all got an interest in the concern, and they feel that they are all working for that common interest, and in working for that industry they are working for the State, for the country, and the well-being of everybody in the land.

United Kingdom

At the close of his speech he renewed his appeal for national unity in peace as in war.

Let us face our responsibilities in industry as we faced them in war. We have just completed the most gigantic task ever entrusted to a nation, and the part taken by Britain was no mean one. Had it not been for Britain, where would the world have been? How did we do it? We did it by unity, common purpose, common action, common love of this old land—a determination to go through, whatever the cost, until our purpose was achieved: no fear, no hesitation; daring where daring was needed, courage always; and I say now, when we have got a problem which is the greatest that has confronted us in a time of peace, with the same unity, the same common purpose, the same daring, the same resolve, acting together, we will make this land such a land that no man has ever seen before under the sun that shone over Britain. Common action! I appealed some months ago in an hour of emergency to the people of this country to hold fast. To-day I am making an appeal to all sections—"Hold together!"

The Conference carried a resolution to appoint a Joint Committee of employers and workmen in equal numbers "to consider and report on the causes of the present unrest and the steps necessary to safeguard and promote the interests of employers, workpeople, and the State, and especially to consider (1) questions relating to hours, wages, and general conditions of employment; (2) unemployment and its prevention; and (3) the best method of promoting co-operation between Capital and Labour."

The Committee's report, which was unanimous, was published on March 25. In summary * it was as follows:—

Hours.—The legislative establishment of a maximum normal working week of 48 hours of all employed persons, subject to variation in either direction by agreement confirmed by an Order of the Government.

Wages.—The establishment by law of minimum time-rates of wages of universal applicability: the rates to be fixed by a joint commission appointed under the Minimum Wage statute.

The extension and speeding-up of trade boards. The continuance for a further six months from May 21 of the Wages (Temporary

* *The Times*, April 4, 1919.

The Industrial Unrest

Regulation) Act. An inquiry by the Interim Court of Arbitration under that Act into the future treatment of war advances, including the 12½ per cent. bonus.

Unemployment.—Systematic short-time to be organised by industrial councils or other joint representative bodies. Restriction of overtime in periods of depression. Adjustment of Government and municipal contracts to fluctuating labour demands. Immediate execution of a comprehensive housing programme. State development of afforestation and other new industries. More adequate provision for maintenance during unemployment and under-employment.

National Industrial Council.—The creation of a permanent council of 400 members, elected in equal numbers by organised employers and workpeople, with a Standing Committee of 50 members, to supplement and co-ordinate existing machinery for dealing with industrial questions and to be recognised by the Government as the official consultative authority on industrial relations.

The Report also recommended the extension of the existing methods of negotiating changes in wages and conditions by collective bargaining to all trades, and proposed that the difficult question of the future of "war wages" and "bonuses," which are provisionally being continued under the Wages (Temporary Regulation) Act, should be discussed by each trade within the next three months (the Ministry of Labour convening conferences where necessary) and, if not settled by agreement, referred to the Interim Court of Arbitration.

The National Conference met for the second time on April 4 to consider the report and unanimously decided to submit it to the favourable consideration of its constituent organisations provided that the Government declared its readiness to carry its recommendations into effect without delay. The temper of the Conference was markedly reasonable and harmonious; and a letter from the Prime Minister, promising the "immediate and sympathetic consideration" of the report by the Government was well received.

The pacific atmosphere of the Conference was not due to the sudden attainment of any final settlement of the economic problem. Peace—for the time being—was in the air, because, between the first and second meetings of the Conference, the prevailing unrest had come to a head

United Kingdom

in a sudden and serious crisis and had only subsided after some weeks of strain and anxiety. It was precipitated by the action of the so-called Triple Alliance of three powerful Trade Unions—the National Union of Railwaymen, the Miners' Federation of Great Britain, and the Transport Workers' Federation—a combination which could claim to represent about 1½ million workers. The demands which were pressed upon the Government by these three bodies may be summarised as follows :—

The Railwaymen.

- (1) That all advances given as war increases (originally called "bonuses" and later "war wages") be converted into permanent wages ;
- (2) That eight hours constitute a working day, and 48 hours a working week ;
- (3) That double time be paid for all overtime and for Sunday duty, and time and a half for night duty ;
- (4) That the period of rest between each turn of duty be not less than 12 hours ;
- (5) That 14 days' holiday with pay be allowed annually ;
- (6) That conditions of service be standardised on all railways in the United Kingdom ; and
- (7) That there be equal representation, both national and local, for the union on the management of all railways.

Similar claims were made by the smaller Unions, the Locomotive Engineers and Firemen and the Railway Clerks.

The Miners.

- (1) Full wages from State funds for miners released from the Army but not absorbed in the mines, and for men displaced from the mines to make room for ex-soldiers ;
- (2) The amendment of the Eight Hours Act by the substitution of six working hours for eight ;
- (3) A 30 per cent. advance on present earnings, other than war wages, which were to be continued ; and
- (4) The nationalisation of all mines and minerals.

The Transport Workers.

- (1) An increase of 20 per cent. on the wages of piece-workers ; and
- (2) A 44-hour week without loss of earning power.

The Industrial Unrest

The Miners took the lead in forcing the issue. On February 12 a national conference of their delegates, in accordance with the advice of the Executive, unanimously rejected the Government's offer to grant an immediate rise in wages of 1s. a day and to appoint a joint committee to inquire into other claims. On the following day the conference decided to take a ballot of their members of the Federation on the question of initiating a strike on March 17 to enforce the acceptance of their entire programme. The ballot was held on February 22 and resulted in a majority of nearly 6 to 1 in favour of a strike. Meanwhile, as the result of a personal conference between the Prime Minister and the Miners' leaders (a full report of which was communicated to the Press), Mr. Smillie, the head of the Executive, and his colleagues agreed to reconsider their position in the light of Mr. Lloyd George's undertaking to carry a Bill through Parliament for the appointment of a Commission representative of all parties to examine the whole question, with a special injunction to report on the points of wages and hours by March 31. On February 24 the Bill was introduced and in three days passed all its stages in both Houses, the Government conceding the Miners' request that the date for the presentation of the interim report should be advanced to March 20. The strike was accordingly postponed till March 22: and on March 3 the members of the Commission, three of whom were nominated by the mine-owners, three by the Miners, and six by the Government (of whom two were directors of steel and shipping firms respectively, one a specialist in the use of coal and chemical engineering, and three students and publicists of labour questions, appointed to watch the interests of Labour in other industries), began to work at high pressure under the chairmanship of Mr. Justice Sankey. The proceedings were reported in the Press, and the public, thus enabled for the first time to hear and to weigh for themselves the essential evidence in an industrial dispute, followed them

United Kingdom

with the keenest interest. Punctually on March 20 the interim report was presented, or rather the reports—for so far from coming to an agreement the members of the Commission were divided at the end of its labours on the same lines as at their beginning. The three miners, supported by the three members nominated by the Government in the interests of Labour, maintained the original miners' claims unchanged—30 per cent. increase in wages and the substitution of 6 hours for 8 in the Eight Hours Act. The three mineowners conceded an increase of 1s. 6d. a day and 7 hours for 8. The Chairman and the three "independent" Government nominees recommended an increase of 2s. 6d., 7 hours as from July 16, 1919, and 6 hours as from July, 1920, provided that the economic condition of the industry should prove able to stand it. Wages and hours were the only questions with which the Commission was directed to deal in the interim report; but the miners recommended that nationalisation, the last item of their original programme, should be at once conceded in principle. The mineowners passed no opinion on it. The Chairman's report declared that time and evidence had so far been inadequate for forming a judgment, but that "even upon the evidence already given, the present system of ownership and working stands condemned, and some other system must be substituted for it, either nationalisation or a method of unification by national purchase and/or by joint control. . . . We are prepared, however, to report now that it is in the interests of the country that the colliery worker shall in the future have an effective voice in the direction of the mine."

On the question of housing, the lamentable conditions of which in certain areas had been revealed by the evidence, Mr. Justice Sankey and his fellow-signatories recommended that 1d. per ton on the present output of coal (estimated at £1,000,000 a year) should be devoted to its improvement and to the general betterment of the material side of the miner's life.

The Industrial Unrest

The Chairman's report was regarded as a sincere attempt at an equitable settlement by most of those among the public who had followed the evidence: those who had not, approved of it mainly because it was a *via media* between the disputants and seemed to offer a good hope of peace. It was with general approval, therefore, that Mr. Bonar Law announced to the House of Commons on March 20 the Government's acceptance of the "Sankey Report." He also stated that the Chairman had undertaken, if the Commission was allowed to continue its work, to present a report on the principle of nationalisation by May 20—a date which was later altered to June 20. At the same sitting Mr. Bonar Law informed the House that the negotiations with the Railwaymen—the critical condition of which had been dramatically revealed to the public some days previously by the journey of Mr. J. H. Thomas, the Secretary of the N.U.R., to Paris and back by aeroplane for an interview with the Prime Minister—were now proceeding favourably, and reviewed the concessions which the Government was prepared to make. At the close of his speech he made a strong appeal for peace, with special reference to the Miners' strike fixed for March 22. He urged the Miners' leaders not to reject the opportunity of a fair settlement afforded by the Commission and finally warned them that, if the strike did come, "the Government—and no Government could do otherwise—will use all the resources of the State without the smallest hesitation."

If (he said) in a strike between any section, however important and however much sympathy we may have with it—between any section and the community as a whole, of which the Government is representative—if such a struggle comes it can have only one end or there is an end of government in this country.

The next few days passed in negotiations between the Government and the Unions of the Triple Alliance singly and collectively. The Railwaymen rejected the Govern-

United Kingdom

ment's concessions and decided to strike: but largely owing to the influence of Mr. Thomas, who reminded the extremists that "power is only good when it is tempered by responsibility," they rescinded the decision and accepted a settlement on the following terms:—

The continuance of present wages till December 31, 1919; a standard week of 48 hours; payment for overtime and for night duty at the rate of a time and a quarter and for Sunday duty at the rate of a time and a half; 12 hours in all regular duties and a minimum of 9 hours in other cases; a week's holiday on pay after 12 months' service; recognition of the Negotiating Committees of the N.U.R. and A.S.L.E.F. in the discussion of wages and conditions of service; and the appointment of a committee of representatives of the Railway Executive Committee (the managing authority under the existing war-system of State control) and of the two Unions.

A similar settlement was attained with the Transport Workers. It remained to secure the acceptance by the Miners of the terms of the Sankey Report. As with the Railwaymen there were extremists among them who denounced all compromise, and in one or two cases unauthorised strikes occurred. But after a week's negotiations, in which the Government stood firmly by the Report, the conference of delegates decided to hold another ballot and to recommend the miners to vote for the acceptance of the Report and in the meantime to continue at work. On April 16 the result of the ballot was published: 693,084 in favour of acceptance, 76,992 against.

Meanwhile Mr. Lloyd George was considering, as promised, the report of the Joint Committee of the National Conference, and on May 1, he addressed a letter to the Provisional Committee of the Conference, declaring his acceptance in principle of the recommendations of the report as to hours and wages:—

As regards hours, a Bill is now being drafted to give effect to your recommendations. . . . There are certain industries, such as agriculture, in which seasonal and other conditions necessitate special consideration; and some cases, such as those of seamen

The Industrial Unrest

and domestic servants, in which it would be impossible to enforce a week of 48 hours; but I agree that the Act should otherwise apply to all industries in which a legal limitation of hours is practicable.

He approved in principle of the legal enforcement of a minimum wage in all industries and accepted the suggestion that a Commission should be appointed to report on the question. He pointed out that a Bill had already been introduced to extend the Wages (Temporary Regulation) Act. Finally he proposed that unemployment should be the first matter dealt with by the National Industrial Council, the establishment of which he cordially welcomed. This letter met the demands of the Conference on all important points but one—namely, the establishment of minimum rates. The intention of the Conference apparently was to refer to a Commission, not the question or the method of establishing legal minima, but the determination of the actual rates. Their Report, however, did not make this absolutely clear, and negotiations are proceeding on this subject. It is hoped that agreement will be reached promptly, since so much depends on the initiation of the other measures proposed by the Conference.

An adequate discussion of the industrial situation reflected in the above brief summary of events must be reserved for a future issue of *THE ROUND TABLE*. But it may be suggested here that, although the quarter has closed more peacefully to outward appearance than it began, it would be idle to assume that the industrial crisis is over, or even that its most difficult and dangerous phase has yet developed. To take a single element in the problem, it should be remembered that Mr. Thomas, one of the most moderate and cool-headed of Labour leaders, declared at the first session of the National Conference that the Triple Alliance "stood unalterably for the ownership by the State of the mines, railways, and the means of inland

United Kingdom

and coastal transport"; and at the continued sittings of the Sankey Commission, Mr. Smillie and his supporters have made it clear that their minds are made up as to the necessity of nationalisation in the mining industry. Now, nationalisation, as the word itself implies, is a question of national policy, not to be decided by one section only of the community but by Parliament, which alone represents the community as a whole. There is trouble ahead if the Triple Alliance or any other organisation attempts to pit its own will on a national issue against the will of Parliament. And behind this special question looms the general problem of unemployment. It is more than doubtful whether industry can recover sufficient productive vitality in the next few months to absorb the mass of men and women who will be looking for the means of life when the donation system ceases; and in that event the autumn may bring a far more substantial and intractable "unrest" than the spring. As to the need for a new adjustment of industrial relations the country as a whole is convinced; what it does not yet realise so clearly is the necessity in any such adjustment of some sacrifice of prejudices and interests by all the parties concerned. All our traditional belief in "fair play" and in the wisdom of settling disputes by reasonable methods will be wanted if our hopes of domestic peace are not to be wrecked at the very outset of the new era. And not only the fortunes of this country will be at stake.

On the Continent, as I have good reason to know (said Mr. Lloyd George in his letter to the Committee of the National Industrial Conference), your work is being closely watched. Foreign countries are looking to Great Britain to give them a lead in the foundation of a new and better industrial order.

Can the British people give the same example of "government by consent," of progress by practical reform instead of destructive revolution, in industrial as in political history? One thing, at any rate, seems certain. They

The Financial Position

will not resign the leadership to the latest exponents of the revolutionary spirit of continental Europe. Despite its organised propaganda, Bolshevism has taken no deep hold. No doubt this is partly due to the increasing recognition of the failure of the Bolshevik experiment in Russia ; but in any case conditions in this country would have to approximate more nearly to those of Eastern Europe before the average British working man or woman could be tempted to take a leaf from Lenin's book. It is worth noting that at the recent conference of the Independent Labour Party an amendment demanding that "the government of the country be based upon a system . . . comparable to what is known as the Soviet system" was dropped, after a discussion in which Mr. Jowett pointed out that the "deep-rooted Parliamentary institutions" in this country allow of much closer contact between the Government and the governed than the Soviet system, and that "to scrap whatever advantages our Parliamentary system gives us, or to refuse to reform it just for the sake of trying to get common consent for the beginning of a new and untried system, would be a mistake."

II. THE FINANCIAL POSITION

ON April 30th Mr. Chamberlain introduced the Budget into the House of Commons. In general the whole country was pleasantly surprised that our financial situation was so comparatively satisfactory. It was at least clear that the country was still keeping its head well above water.

The Chancellor's statement may be very briefly summarised as follows :—

The National Debt, which in 1914 was £645,000,000, was on March 31st, 1919, £7,435,000,000. Of this total £6,085,000,000 represented internal debt and £1,350,000,000 external debt. As against this external

United Kingdom

debt due to others we held obligations of other countries to us amounting to £1,739,000,000, of which our Dominions owed us £171,000,000 and foreign countries £1,568,000,000. Unfortunately these obligations were not liquid, nor was their repayment always very certain. Russia owed £568,000,000 out of the total, and we could not expect other countries to repay us in the near future.

For the forthcoming year 1919-1920 the total expenditure was estimated at £1,434,910,000, and the revenue at £1,159,650,000, leaving a deficit to be met by borrowing of £275,260,000.

The figure for revenue included an estimate of £300,000,000 from the Excess Profits Tax and £200,000,000 from the sale of Government assets. A further sum of £254,000,000 from the sale of such assets was also appropriated in aid of the various departments. Thus the revenue figures are, it is clear, wholly abnormal and no guide to the future.

The expenditure, including as it does net Army estimates of £287,000,000 and very swollen figures for the Civil Service and in other directions, is equally abnormal.

Moreover, while the amount to be met by borrowing is estimated at only £275,260,000, this is no measure of the actual borrowing required. Our floating debt is enormous. Treasury Bills, mainly three-monthly bills, amount to £957,000,000; Ways and Means Advances, £455,000,000; Exchequer Bonds maturing, £245,000,000; Foreign Debt payments, £96,000,000—a total altogether of £1,753,000,000.

Much of this is of course renewable. But it is clear the Government's borrowing, whether or not they enter on a large funding operation, will be on a large scale. It is very important to reduce such items as Ways and Means Advances at the earliest possible moment.

Mr. Chamberlain gave some striking figures as regards the growth of our currency. Currency notes have increased from £228,000,000 on April 1, 1918, to £349,000,000 on April 23, 1919. Bank of England notes are also increasing

The Financial Position

considerably, and our total currency, which before the war was estimated at £214,000,000, is now £540,000,000. Mr. Chamberlain deprecated any direct limitation of the currency. He pointed out that currency inflation was a world-wide phenomenon. Before any drastic steps were taken it was desirable to let a new level of world prices establish itself. On the other hand, he fully admitted the evils of the present situation. Indeed, they cannot be denied. Heavy Government borrowings and expenditure bring with them an automatic increase in currency ; that increase tends to raise prices ; constant readjustments of wages are required ; many sections of the population are more and more hard-hit ; the growth in prices renders export more and more difficult ; lack of exports brings unemployment, tends to depreciate our exchanges, and so again raises the cost of living. It is a vicious circle, which must be broken as soon as possible. But there is no one heroic remedy. The Chancellor correctly diagnosed the evil and indicated the main measures which the Government and the nation must adopt. The first is to reduce Government expenditure ; the second to meet that expenditure from revenue ; the third, if we must borrow, to borrow from real investors ; the fourth, to repay Ways and Means Advances ; the fifth, to fund the immense volume of short-dated Treasury Bills. These measures, more or less humdrum as they appear, are the very foundation for reform and can be accomplished only by the strictest national and individual economy. We are much poorer than we were. For years to come a considerable part of our production must be devoted to paying our foreign creditors ; a large part to make good the wastage in our national plant. Nothing but a united effort of all classes comparable to that in the war can enable us to face with success the years of difficulty ahead.

The Chancellor then went on to make what he termed a hazardous forecast of an imaginary normal year, when abnormal expenditure and revenue should have ceased to

United Kingdom

swell both sides of the account. He estimated the expenditure, the necessary expenditure, from which we could not escape, at £766,000,000 a year, which included a debt charge of £400,000,000, as against which he anticipated a revenue of £652,000,000, assuming the disappearance of the Excess Profits Tax. This left a deficit of £114,000,000, which the new taxation he suggested was intended after a year or two to provide. The Chancellor's estimate of expenditure may be regarded as optimistic.

Mr. Chamberlain went on to propose a measure of Imperial Preference to carry out the policy declared by the Imperial War Cabinet and Conference two years ago, by reducing existing duties, in some cases by one-third, in others by one-sixth. He anticipated the financial effect of these proposals to be a reduction of something like £3,000,000 a year in revenue. The political effect of this scheme may be reserved for future discussion. As regards fresh taxation Mr. Chamberlain proposed to get about £22,000,000 more in a full year from spirits, £31,000,000 a year more from beer and £10,000,000 a year more from death duties. He proposed to reduce the Excess Profits Tax from 80 per cent. to 40 per cent., which would result in the yield falling to about £50,000,000 in future years. Thus the normal deficit he anticipated of £114,000,000 would be about made up. But as he contemplated the total disappearance of the Excess Profits Tax, at any rate in its present form, some new source of revenue would be required to take its place. Lastly, Mr. Chamberlain emphatically, and in our view rightly, condemned the proposal for a tax on capital.

The nation may be thankful that our financial position as thus revealed is so reasonably secure and comparatively so much better than that of our Allies on the Continent, to say nothing of our enemies. This is largely because we were able to meet a proportionately large part of our expenditure during the war by taxation. For the five years ending March 31, 1919, the figures are 28·49

The Financial Position

per cent. from revenue and 71.51 per cent. from borrowing. "That is a record," said the Chancellor, "which I believe no other belligerent can equal." But we must not rest satisfied with the sacrifices we were able to bear in war time. Only if the effort is continued, can we hope to overcome the difficulties and dangers which lie ahead. Now, as much as during the war, we have to work hard, to practise economy, to bear taxation readily, and to lend what we can to the State. It is essential, on this last point, to remember that the importance as well as the security of investing in Government Loans will by no means be diminished by the coming of peace.

Everything depends on whether this spirit of effort and sacrifice can be quickly recovered. For the moment it has been lost, with very serious results on our industrial position, and consequently on our financial prospects. There is a widespread and perhaps not unnatural tendency to regard relaxation after the strain of the war as justified. There is a holiday feeling in the air ; a desire for us all to live happily ever after, having reached, as it were, the close of a stirring novel ; an idea that we ought to have more material welfare and that it is somebody's fault if we do not ; a disinclination to work. The result is higher wages and higher costs without any corresponding improvement in efficiency. These higher wages, as in the case of the coal-miners, will be met by further inflation of currency. We have reached a very critical stage. Unless the Government's expenditure is met as far as possible by taxation and for the rest by loans from the real investor, we shall have definitely entered on the slippery downward path of living on currency expansion and inflation, a path which has been trodden to its limits by Bolshevik Russia, and along which Germany and other countries are fast hurrying. The results would be disastrous. We may increase wages, but prices will increase equally fast. Credit is not capital. It is capital—real wealth—that we want. We cannot build houses with credit. We want bricks and mortar.

United Kingdom

We can juggle with figures in our home trade, if it pleases us, although we are merely living in a fool's paradise, because nominal increases in wages mean nothing unless there is a corresponding increase in the real wealth of the country. But the policy is suicidal as regards our foreign trade, on which we are largely dependent. Here we have to "toe the line"; and unless our wares are as good both in quality and in price as those of other nations we shall get no orders. The result will be unemployment. Indeed, it is inevitable, unless we can secure greater efficiency and greater economy in working, that we shall be faced with serious unemployment and distress. Meanwhile, the present paralysing uncertainty as to the industrial future restrains people from placing orders because they feel that, whatever happens, conditions cannot remain as they are.

London. May, 1919.

III. PUBLIC OPINION IN IRELAND

DURING the past three months the Irish Question has once more forced itself into prominence. When the General Election gave the Sinn Fein Republicans a victory surpassing all anticipations, most people in Great Britain, declaring themselves tired of the whole business, dismissed it from their minds until such time as Ireland should come to her senses.

But where national sentiment exists, it becomes more insistent when ignored; and it is now quite certain that the reform of Irish Government must once again be considered very seriously, if only because Parliament must make up its mind what to do with the Home Rule Act very soon after peace shall have been signed. Moreover, the Irish question is known to obstruct a really thorough-going understanding with the United States; and though Englishmen quite

Public Opinion in Ireland

naturally resent even the hint of interference of any foreign Power, however friendly, in the affairs of the United Kingdom, it is not wise to disregard an important, if disagreeable, factor in international relations.

It seems necessary, therefore, to examine the conditions now obtaining in Ireland, not in order to propound any particular solution (a task from which the boldest might just now well shrink), but in order that we may know with what we have to deal.

In the first place, then, we have to ask how far the cry of an Independent Irish Republic voices the real wish of the majority of the Irish people. The question is not easy to answer ; but some facts may be stated and some conclusions reasonably drawn from them. In the first place it is to be remembered that something like half the Irish electorate did not exercise the franchise at all, and that in the contested elections, even outside the north-eastern area, more than another third of the votes recorded were cast against Sinn Fein candidates. Still more to the purpose is the fact (as all who have first-hand knowledge of Ireland agree) that the votes cast in favour of Sinn Fein candidates were certainly not given as a whole in considered approval of a Republican policy. Rather they reflected a general revolt against what Nationalist Ireland as a whole regarded as the dishonesty of British statesmanship and against the alleged subserviency of the old Irish Parliamentary Party to British, as distinct from Irish, sentiments and interests. The truth is that the distinctions between various types of settlement—Independent, Co-ordinate Legislatures, Dominion Home Rule, the proposals contained in the Act of 1914, Federalism, Devolution—have never been clearly appreciated by the popular mind. Nor is this surprising, since they are frequently confused by even the most learned persons. Professor Dicey has recently committed himself to the remarkable statement that the Dominions enjoy the “right to secede.” Presumably the learned Professor means that if

United Kingdom

Canada or Australia were determined to leave the British Empire the forces of the Crown would not, and probably could not, be employed to prevent the secession. But Irishmen of all parties understand quite well that geographical conditions would in the case of Ireland render the right, even if it existed, incapable of exercise. Moreover, a glance at the Report of the Irish Convention will show that even the extreme left of the Nationalist representatives, while claiming what is currently called a Dominion status for Ireland, agreed that the Imperial Government should retain all naval and military powers, that Ireland should make a yearly contribution towards Imperial expenditure, and that she should continue to send representatives to Westminster.

If only for the sake of clearness, it seems desirable to insist upon these points ; for Dominion Home Rule (as thus limited) undoubtedly represents the normal aim of Nationalist Ireland. For the sake of speedy settlement of a controversy not less wearisome to them than to their neighbours, Irishmen might once have been (or may again be) content with less. Just now they are demanding more. But this is the central point towards which from either side desire tends always to swing back. To say this is not to call in question the sincerity of the professed Republicans. There are those, no doubt, who would be content with nothing less than an Independent Irish Republic. But republicanism as a principle has never really captured the Irish mind nor (except for brief moments) the Irish imagination. And we are here concerned with the sentiments of the mass of the people, not with the theories of individuals. With the former at least Republican Sinn Fein is a mood rather than a policy.

After all, the popular instinct is probably sound in declining to pay much attention to the distinctions above mentioned. If we set aside complete separation and simple repeal of the Legislative Union, any possible settlement must recall in certain respects the relations existing

Public Opinion in Ireland

between the self-governing Dominions and the Central Government of the Empire; must be in form Devolution and in spirit Federalism. And the conclusion of the whole matter is that—the radical difficulty of Ulster apart—any form of self-government will be satisfactory to the ordinary Nationalist Irishman which secures to an Irish Assembly effective control over Irish affairs, by whatever name it may be called. But unhappily the Ulster difficulty still exists, and no one pretends that recent events have diminished the strength of that obstacle to settlement. Federalism of the United Kingdom and of the Empire, which certainly offers the best hope of a solution, has never been considered in Ireland upon its merits, probably because it has rarely been propounded except as an alternative to something which at the moment appeared to be more immediately practicable. It is true that within the period under review a Centre Party has been formed under the leadership of Captain Stephen Gwynn, having for its declared purpose the establishment of a federal system of government within Ireland itself, based upon the creation of a central and four provincial Parliaments, and pointing towards the inclusion of Ireland as a unit in a Federal British Commonwealth. But no great measure of popular support seems to be forthcoming, and there is little evidence that even the concession of unprecedented powers to the Provincial Assemblies would reconcile the north-eastern counties to the rule of a Dublin Parliament. Moreover, it is clear that if provincial autonomy is carried beyond a certain point, it amounts to that very partition of Ireland to which national sentiment is so opposed.

As the Centre Party seeks (though so far with little success) a reconciliation between Irish and Ulster claims, so another newly formed organisation, that of the Nationalist Veterans, pursues the cognate aim of bringing into harmony National and Imperial loyalties. The Association, whose leading spirits were responsible for the Irish officers'

United Kingdom

petition to the King, proposes to promote a national memorial to the fallen, to care for all those who fought in the war, and to urge Ireland's claim to self-government. It is significant, by the way, that a body of Irishmen, whose loyalty to the Empire has been proved on the battlefield should in this matter appeal from Westminster to the Peace Conference. The Association offers a rallying point for demobilised soldiers, who (strange as it may sound in English ears) are rapidly tending, when once more subject to local influences and perhaps in some cases conscious of personal grievances, to be absorbed in the Sinn Fein ranks.

Of interest also is the continued movement of a large section of southern Unionists in the direction of Constitutional Nationalism. At a certain stage in the proceedings of the Convention there was good reason to believe that a working agreement would be reached between the followers of Lord Midleton and the Nationalist and Labour representatives—a hope only defeated by the sudden revolt of a minority of Nationalists against Mr. John Redmond's leadership on the financial issue. Since that time Southern Unionism has been split into two bodies. One of these holds by the Ulster alliance and declines to consider even the possibility of any change; the other, while still holding that the maintenance of the Legislative Union is desirable, is yet prepared to accept change if need be, and is determined that Home Rule, if established, shall operate over the whole country—a policy sufficiently indicated by the title of Lord Midleton's new organisation, the Anti-Partition League.

At the other end of the social scale class-consciousness is growing among the labourers of town and country. In many rural districts partial strikes have taken place; and though wages double and treble those current before the war are being paid, relations between farmers and labourers were never less cordial. Even if high prices continue to be obtained for agricultural products, it seems

Public Opinion in Ireland

doubtful whether recent increases in tillage will be maintained in view of the uncertainties of the labour market. In the towns there have been two considerable strikes. That in Belfast was of a familiar kind, being chiefly concerned with a demand for shorter hours in the engineering shops. In Limerick, on the other hand, the avowed motive was frankly political. As a consequence of the daring rescue of a Sinn Fein prisoner, resulting in the deaths of a policeman and of the prisoner himself, Limerick had been proclaimed a military area, and persons entering or leaving the city have been required to obtain permits. This was hotly resented by the local Labour leaders, who thereupon proclaimed a general strike and appealed for financial assistance to the British and Irish Trade Unions and to the Sinn Fein Executive. Adequate support not being given in either quarter, the strike quickly collapsed. But for some days the city was under the control of a Strike Committee which appears to have acted with considerable energy and ability. Food depots were successfully established and order was well maintained. Neither there nor in Belfast did any collision occur between the strikers and the police or soldiers.

The Limerick strike is interesting, both as an experiment in Soviet government, and as indicative of a cleavage which is sure to widen between the *bourgeois* and Bolshevik elements in Sinn Fein. It is common knowledge that the rising of 1916 was at the last moment precipitated against the wishes of Pearse and other intellectuals by the Liberty Hall section of the party; and there is reason to believe that a similar struggle is being waged to-day. De Valera and his immediate associates are, it is thought, opposed to violent action, whether by way of open insurrection or secret terrorism. Unhappily, however, we have to do with two factors, far more sinister than the speeches, however seditious, for which men are being daily imprisoned—with social conditions in the towns so horrible as to encourage, if not to palliate, the wild and delusory

United Kingdom

claims of Bolshevism, and with the underground workings of secret societies. It is necessarily impossible to say how far the outrages which have occurred in several parts of Ireland are the work of a central terrorist organisation and how far of individual criminals. But it is perhaps significant that in their Lenten Pastorals all the Irish Roman Catholic Bishops, without exception, considered it necessary to warn the faithful against associating themselves in any way with secret societies. The other factor is happily more capable of examination and reform ; and we may reasonably hope that the Bills now presented to Parliament relating to Public Health and Housing in Ireland will, if well administered, destroy some of the roots of popular discontent. In both these matters Ireland has lagged far behind Great Britain. Intelligent care for the public health (including the medical treatment of school children) is practically non-existent ; whilst the tenement houses of Dublin, in which 340 of every 1,000 families live in single rooms, are a disgrace to the country and a menace to order and civilisation. It remains to be seen whether the financial assistance provided by the State (generous as it is) will suffice, having regard to the present cost of building, to enable local authorities and others to grapple with the evil in the drastic fashion which is required.

To return to more general considerations. For the time being Sinn Fein is clearly in the ascendant ; and it must be confessed that the recent visit of the Irish American delegates has enormously strengthened its prestige. For the strength of Sinn Fein lies in its appeal to historic passions, its weakness in the deep-rooted scepticism of Irish folk. For all his emotionalism, the Irishman has a remarkably cool head. That he cheers when an Irish Republic is mentioned is no proof that he believes in it. But when three distinguished gentlemen—one of them, he is told, a possible President of the United States—present themselves to him under the patronage (so it has been asserted)

Public Opinion in Ireland

of Mr. Wilson and of the British Prime Minister, he not unnaturally begins to think that the establishment of the Republic is no idle dream.

In these days as strange things have already been realised, he argues ; and the end is not yet. What the end will be, indeed, no one can say. All the old parties are disintegrating —Unionists as well as Nationalists, the North as well as the South. All established things are being challenged. In Protestant Belfast employers and employed are no longer solidly united by the common bond of no-Popery ; for there as elsewhere social divisions are making themselves felt. In the Catholic South similar influences are at work. The authority of the Roman Catholic Church, in matters temporal at least, is not what it was even five years ago. He would be a bold man who would undertake to prophesy how existing parties will stand towards one another and towards the Empire five years hence.

Dublin. May, 1919.

CANADA

I. THE DEATH OF LAURIER

THE death of Sir Wilfrid Laurier closes an era in Canadian history. For a quarter of a century he had a personal ascendancy which only Sir John Macdonald among Canadian statesmen enjoyed in equal degree. He inspired alike personal affection and political devotion. No more attractive or picturesque figure has appeared in the public life of Canada. As a young man he associated himself with Dorion and Holton and Dunkin and Joly, who opposed Confederation. He argued that Confederation would be "the tomb of the French race," and that its advocates were "the valets and slaves of the Colonial Office." But he was young and happy in the ardour of political controversy. He was not less bold in his attitude towards the Ultramontane ecclesiastics of Quebec. He asserted the supremacy of civil government in the sphere of the State and resisted clerical interference in political contests. But whatever his attitude towards the Church, he was invincibly loyal to his race. From the first he proclaimed his adherence to the principles of British Liberalism and until the end there was something of the Whig in his social and political creed and practice. He rejected the teaching of Collectivists and Socialists. He doubted if the State could wisely undertake the operation of railways. He distrusted projects of public ownership and never was very favourable to legislative restrictions upon private business. In all this he expressed the natural

The Death of Laurier

conservatism of Quebec and his own firm adhesion to the teaching of the old economists. He was singularly resolute in imposing his own convictions upon the Liberal party and yet flexible enough in adjusting himself to public opinion when he was convinced that national harmony and political safety required concession and compromise. He was more of an autocrat than an opportunist. While he could lead he would not follow. He had a great capacity for persuasion, and until the issue over conscription arose he exercised an absolute authority over the Liberal party in Parliament.

It cannot be said that Sir Wilfrid Laurier was an Imperialist, but he was not a Separatist and he had reverence for British institutions. He believed that under any system of federation the autonomy of Canada would be impaired and that the Dominions would be comparatively uninfluential in an Imperial Parliament. As he grew older he became more strongly opposed to all projects of organic alliance and even to any fixed or definite machinery of co-operation. This was his attitude at Imperial Conferences and this his attitude in the Canadian Parliament. He was very unwilling to send troops to South Africa and only yielded to extreme public pressure. But once he had yielded he defended his action with vigour and eloquence, and no statesman of the Empire gave more unequivocal support to the British position over which such acute differences of opinion developed in Canada and in Great Britain. It must be remembered also that his final determination to send contingents to South Africa produced the Nationalist movement in Quebec which was signally influential in the General Election in which his Administration was defeated. Mr. Bourassa, who became leader of the Quebec Nationalists, had intimate personal relations with Laurier and was among his most ardent supporters in Parliament. But he was so hostile to Canadian intervention in South Africa that he resigned his seat in protest against the decision of the Government. Bourassa was re-elected, for he was not

Canada

opposed by the Government and could not have been defeated if he had been opposed. But the old personal relation was never fully re-established nor the old political alliance renewed.

Bourassa set himself to the organisation of an independent political movement in Quebec and to the development of feeling in the French Province against closer relations between Canada and Great Britain and against assumption by the Dominion of any obligation for the defence of the Empire. He awaited his opportunity and struck with effect when the Laurier Government undertook to organise the nucleus of a Canadian navy. The chief issue in the contest in which Laurier was defeated was the trade agreement with Washington, but the Nationalists, who had practically superseded the Conservative party in Quebec, concentrated upon the naval proposals and carried more than a third of the constituencies. The action of the Nationalists in 1911 partly explains the desperate resistance of the Liberal party to the proposal of the Borden Government to build three Dreadnoughts for the British Navy. The Conservative party had profited by the activities of the Nationalists and the Liberal party exacted compensation when the Conservative naval proposals came before Parliament. It has to be said, too, that Sir Wilfrid Laurier had always opposed any direct contribution by Canada to naval defence, and this was made the direct ground of attack upon the Conservative programme. There are few more unedifying chapters in Canadian history. It is impossible to believe that there was any element of justice or patriotism in the Nationalist attack upon Laurier or that the Naval Aid Bill of the Borden Government was the product of an Imperial conspiracy against the autonomy of Canada. But until his death Laurier denounced the co-operation between Conservatives and Nationalists in 1911 and guarded himself against Bourassa in Quebec. Since his death a letter has been published in which he declared that, if he should support conscription, he would lose Quebec

The Death of Laurier

and Bourassa would precipitate a revolution. Whether or not there was ground for this apprehension, it is no secret that there were public men in the English Provinces who were only less reluctant than the Liberal leader to attempt by compulsion to provide reinforcements for the Expeditionary Army. There was no revolt in Quebec or elsewhere in the Dominion, and it is doubtful if Bourassa would have been permitted to organise resistance to the draft. Moreover, Laurier probably underestimated his influence with his compatriots. But he always insisted that the support of his own Province was vital to his personal and political position, and the fact explains the fundamental considerations by which he was governed. But over and over again he reconciled Quebec to measures not fully consonant with the sentiment of its people and maintained substantial harmony between the French and English elements of the population.

Whether or not Laurier was an Imperialist the relation between Canada and the Mother Country was more intimate and reliable when he left office than when he became leader of the Liberal party. Under his Administration the fiscal preference of 33½ per cent. in favour of British manufactures was established, the first army was sent out of Canada to assist the British forces in a conflict in which Canadians had no natural concern save as citizens of the Empire, and the obligation of the Dominion to co-operate in naval defence was first admitted and expressed in the proposal to create a Canadian navy. If Laurier was peculiarly an autonomist rather than an Imperialist, co-operation instead of conflict with the Mother Country and the other British Dominions was the distinguishing principle of the policy which he developed or to which he consented as Prime Minister of Canada. As to the ultimate consequences of his conception of the Imperial relation there will be differences of opinion, but there can be no doubt that full recognition and expression of national sentiment in the Dominions is the essential condition of Imperial

Canada

unity and stability. If, however, the whole emphasis is put upon nationality instead of Empire the ultimate issue may be separation and disruption. Sir Wilfrid Laurier seemed to believe that there was a necessary conflict between Imperialism and nationality, and unquestionably he was a Nationalist before he was an Imperialist.

Laurier left a party to his successors very different in its constituent elements from that which he inherited. It is stronger in Quebec and weaker in Ontario, and in the Western Provinces has characteristics which express the outlook of American Progressives under Roosevelt rather than the social content and industrial individualism of Laurier. But he retained the affection of tens of thousands of those who deserted his standard. No man could have had more of the goodwill of his fellows. Whether he spoke from the platform or in Parliament there was something in manner and bearing which was curiously impressive. The voice was melodious, the contact intimate, and the effect pervasive and persuasive. No meeting so hostile but would listen with silence and respect: no opponent but felt his personal charm. He fought the battle of life with serenity and courage and without envy or bitterness. He died with composure and dignity. Death struck suddenly, but he had often said that when the time came he would like to die quickly and that he did not desire to live until there was failure of mental power and no adequate physical strength for the day's work. In Parliament there were feeling tributes to his memory; in the country there was deep and general expression of sorrow and regard. It is too soon for any dispassionate estimate of his character and achievements. But towards men with such gifts and graces as he possessed, even if associated with great faults and weaknesses which he had not, history is lenient.

The Liberal Leadership

II. THE LIBERAL LEADERSHIP

IN the Liberal party there is no natural or logical successor to Sir Wilfrid Laurier. One would think first of Hon. W. S. Fielding, and there was instant and very general agreement among the Liberal Unionist newspapers that he could best heal the party division which conscription had produced. But the Liberal group in Parliament and that section of the press which had adhered to Laurier rejected the nomination with frank and firm unanimity. They insisted, and continue to insist, that Laurier's successor must have been loyal to Laurier even upon the issue of conscription. This probably will be the judgment of the national Liberal convention which has been called for August to choose a leader and formulate a platform. Among those favourably considered for the leadership are Hon. W. L. Mackenzie King, who was Minister of Labour, Hon. George P. Graham, who was Minister of Railways under Laurier, and Hon. W. M. Martin, Premier of Saskatchewan. But Mr. Martin was a conscriptionist and supported the Unionists in the last General Election. This seems to be a handicap which he may not overcome even if he aspires to the position of federal leader. There is, however, no evidence that he cherishes any such aspiration, although probably he will be found in alliance with the Liberal party under the leader which the convention may select. There has also been mention of Hon. A. B. Hudson, who was Attorney General in the Liberal Government of Manitoba. But the Government to which he belonged made English the only language recognisable in the schools of his Province, and this constitutes a grave objection among French Liberals in the House of Commons. There is support, too, for Sir Lomer Gouin, Premier of Quebec, who has administered the affairs of the French Province with prudence and efficiency and has the respect and confidence of the English minority. It is understood,

Canada

however, that the common feeling among Liberals is that Laurier's successor should be an English-speaking Protestant, not because a Frenchman or a Roman Catholic is objectionable, but in recognition of the Protestant element which for more than thirty years gave loyal support to a French and Catholic leader. There is some expectation that Sir Lomer Gouin may be induced to enter the House of Commons as federal leader for Quebec, and unquestionably if he should do so the national Liberal party in Parliament and in the country will be greatly strengthened. Upon the death of Sir Wilfrid Laurier Mr. D. D. McKenzie of Nova Scotia was selected as Parliamentary leader of the Opposition, with the distinct understanding that a permanent leader would be chosen by a general convention of the party. Mr. McKenzie is a Scotsman of aggressive quality and with the tenacious devotion to party which distinguishes public men of the Atlantic Provinces. Not unequal to the position which he holds temporarily, there is more than a possibility that he may be selected as permanent leader. At the moment, perhaps, Mr. King is the more likely choice of the convention, but so much will depend upon the actual constitution of the convention that its decision cannot be predicted with certainty or confidence. Mr. King is a grandson of William Lyon Mackenzie, who was the central figure in the Upper Canada Rebellion of 1837. He has the hereditary instinct for politics and all the fervour and energy of his grandfather. He was chiefly responsible for the Lemieux Act which has been so valuable in settling differences between employers and workers in Canada. For a time he was connected with the Rockefeller foundation and he has published a volume in advocacy of the common and equal representation of Labour and Capital in industrial and corporate enterprises. Indeed, he has devoted himself chiefly to the problems of Labour, and, if he should become leader of the Liberal party, an alliance with organised Labour would be his deliberate and continuous object. He had in exceptional

The Position of Quebec

degree the confidence of Sir Wilfrid Laurier and the fact probably will have significance with the national convention. Since 1911 he has not had a seat in Parliament. In that year he was defeated on the issue of Reciprocity and he sustained a second defeat in the last General Election. It was reported that he would be a candidate for Quebec East, which Laurier represented for forty-two years, but he does not seem to have sought the nomination and probably is reluctant to go outside his own Province for a constituency. Whether or not Mr. King becomes leader of the Liberal party, he has industry, energy and integrity, which are high qualifications for leadership, and is certain to re-enter Parliament and become increasingly influential in the public life of Canada.

III. THE POSITION OF QUEBEC

THE death of Sir Wilfrid Laurier has not produced any better feeling between Liberals and Liberal Unionists. If Mr. Fielding had been appointed Parliamentary leader of the Opposition, a far step towards the reconciliation of the elements which divided over conscription would have been taken. But the determination of the party to make no concessions to Unionists provoked resentment. Mr. Pardee, who was Liberal Whip under Laurier before the separation over conscription and who could have had a seat in the Union Cabinet, has just declared that "So far as this country is concerned we must come to one form of government, and one only, and that is the party system." This is taken as an intimation that he will rejoin the Liberal party and will not reappear in the Unionist caucus. Mr. Pardee is influential among Liberals in Ontario. His action cannot be without effect, although he alone among Liberal Unionists in Parliament has broken with the Government. Mr. Fielding is exhibiting a strain of resolute independence, and by virtue of his character,

Canada

services and judicial temper is exercising great authority in the House of Commons. It is clear that the Unionists are developing into a political party which will embrace probably the great majority of the Liberal Unionists now in Parliament and the entire representation of the old Conservative party. Although Sir Thomas White has been leading the Commons with much skill and judgment, it is the general expectation and the general desire that Sir Robert Borden, whatever may be his own disposition, should continue in the leadership. When Sir Robert returns the Cabinet will be reorganised and doubtless there will be a renewal of the effort to give Quebec adequate representation. The *Montreal Daily Star* has been urging generous treatment of the French Province and advising Quebec to accept fair proposals if they should be offered :—

The war (it says) has left us with many problems which require for their wise solution a common patriotism and a united people. This unity we cannot have if Quebec harbours a sense of grievance or if the French people are not represented in the Cabinet. However Sir Robert Borden may be regarded in Quebec, it is certain that he has never displayed hostility to French Canadians or ever said a word at which they could have reason to complain. He may have taken positions on public questions which Quebec could not support, but honest differences of opinion should not provoke enduring enmities.

There are ministers in the Cabinet who have been the consistent friends of Quebec. Indeed there are few men in the Government with whom French Canadian leaders should be unable to co-operate. Even in the Cabinets of Sir John Macdonald there were ministers who were greatly divided from Quebec in feeling and opinion, but they were able to co-operate for the common interest. It would be difficult or impossible to have a Cabinet in which such differences of feeling and opinion would not exist. This co-operation should be possible under Sir Robert Borden or under any other leader who may command the confidence of a majority in Parliament. If there have been differences they should be reconciled, if there have been quarrels they should be composed, not in the interest of any political leader or any political party, but in concern for the common national welfare. It is impossible to believe that any Government or any party could desire to ostracise Quebec, nor can any Cabinet from which French Canadians are excluded truly represent Canada.

The Position of Quebec

On the other hand, Quebec cannot wisely insist upon self-exclusion over questions which have bedevilled Canada too often and which have no relation to the social and economic problems which now demand the attention of Parliament.

It would be peculiarly unfortunate if the war should give us "the bloody shirt" as the ensign of any political party in Canada. The first and supreme obligation is to those who fought for us and to the dependents of those who will not return. The second obligation is to forget old quarrels and to build a newer and better Canada upon foundations reddened with the blood of her sons. We cannot afford to have an English party or a Protestant party, a French party or a Catholic party. The Constitution was fashioned in toleration and we cannot do better than recall the teaching of the Fathers of Confederation, which in the strain and ardour of conflict we may have held lightly or forgotten altogether, and resolve that the instrument of government which they devised shall be respected and that the spirit which made the Union possible shall restrain our utterances and prevail in our councils.

But the Liberal press of Quebec does not respond to the *Star's* appeal. The attack upon the Union Government continues. There is no modification of the attitude towards the Prime Minister. *Le Soleil* says: "It would be impossible at the present time to find a single county in this Province where a minister of the Borden Cabinet could be returned." It continues:—

An alliance of this nature must of necessity offer us certain indispensable guarantees, consequently these guarantees can only exist in the persons to whom we would consent to confide the execution of the pact. Our *confrères* as the apologists of Sir Robert Borden do not incur our reproach, but the conclusion of the plea in favour of the Prime Minister does not guarantee that the campaign against us will not be continued.

Le Devoir, Mr. Bourassa's organ, declares:—

We would in no way regret to see Quebec refuse all advances and to conserve for some time yet her full independence and liberty. Rather than being an attitude of hatred, provocation and isolation, it is a strategic attitude equal to that of the German Parliamentary centre or the Irish Nationalist party. The leaders of the Liberal party, who control the entire Quebec deputation, are not probably disposed to play the rôle of Windthorst or Parnell.

Canada

For the time it cannot be said that there is any approach between Quebec and the Unionists and the situation is not improved by prosecutions under the Military Service Act, by no means confined to Quebec, but associated there as in no other Province with the feeling excited over conscription.

IV. FROM WAR TO PEACE

THE Dominion is passing from war to peace without any serious industrial disturbance or any considerable scarcity of employment. There have been few decreases in wages and generally satisfactory relations between employers and workers. A Commission has been appointed by the Government representing employers and leaders of Labour to consider how far the principle of representation can be applied to industry and what new measures can be adopted to ensure co-operation between the employing and working classes. Its exact duties are stated as follows :—

- (1) To consider and make suggestions for securing a permanent improvement in the relations between employers and employees.
- (2) To recommend means for ensuring that industrial conditions affecting relations between employers and employees shall be reviewed from time to time by those concerned, with a view to improving conditions in the future.
- (3) To make a survey and classification of existing Canadian industries.
- (4) To obtain information as to the character and extent of organisation already existing among bodies of employers and employees respectively.
- (5) To investigate available data as to the progress made by established joint industrial councils in Canada, Great Britain and the United States.

In the ranks of Labour there is a Bolshevik element which is active and mischievous. In the West a movement has begun to withdraw from all international affiliations

From War to Peace

and organise One Big Union for Canada.* But the movement is opposed by the officers of the Trades and Labour Congress who are of the school of Samuel Gompers and in open conflict with the I.W.W.'s, the Socialists and the Malignants. The Western movement, which began at Calgary, has its stronghold in Vancouver and a considerable body of support at Winnipeg. In Toronto, too, the Red Flag has many adherents, but they by no means dominate the Labour forces. At the last annual meeting of the Trades and Labour Congress the Socialist element was challenged and defeated by the Labour Unionists. Hon. Gideon Robertson, Minister of Labour, and Mr. Tom Moore, President of the Trades and Labour Congress, are sober, capable and responsible leaders, untainted by Bolshevism and opposed to revolutionary methods. They have to a degree the confidence of employers as well as that of the great body of Labour Unionists. They are resolute, however, in the effort to maintain wages and to improve working and living conditions. In this they have the co-operation of employers to an extent that would have been impossible before the war. Very many manufacturers are deeply considering the problems of Labour and production. The Government has provided over \$100,000,000 as credits for exports to Roumania, Greece, Belgium, and Great Britain. Manufacturers recognise that, if they are to secure permanent markets abroad, they must produce goods of the best quality and that they must have efficient labour, the best machinery, and high production. This involves co-operation with Labour and dependence upon efficiency rather than upon tariffs. The manufacturers, indeed, have a new outlook, a confidence in themselves which they never had before, and an attitude towards workmen which is sensibly affecting the whole industrial situation. There still is apprehension over tariff changes. The Western Grain Growers are insistent in the demand for radical reductions in customs duties during this session

* Cf. Australian article in this issue, p. 611.

Canada

of Parliament. It is believed, however, that the undertaking of the Minister of Finance to give moderate immediate concessions, conduct an inquiry into industrial conditions during the recess and thoroughly revise the tariff next session will satisfy a majority of the Unionists in consideration of the urgent need of revenue and the necessity for industrial activity during the period of readjustment to peace conditions. Thus far the problems of reconstruction have been wisely handled and altogether there would seem to be support for Sir Thomas White's statement that no country faces a better prospect than Canada.

Canada. April, 1919.

AUSTRALIA

I. THE PEACE CONFERENCE

DISCUSSION of the Peace Conference in Australia has been confined almost entirely to two matters—the fate of the Pacific possessions of Germany and the League of Nations. We have read in the press of elaborate claims made in Australia's name—"reimbursement of war costs and losses, the annexation of former German possessions in the Pacific over a wide zone, and her free autonomous development within a paramount British Empire, behind her own fleet, under Australian control." Smaller items, we gather, are the increase in the Australian navy and mercantile marine from German sources, the transfer of German private possessions in New Guinea, the distribution of money obtained from the sale of enemy-owned stock, and the punishment of German officials who cruelly treated Australian soldiers. The bill of costs so presented seems to have been framed on the basis that, while you are in no case likely to get all you claim, the more you claim the more will be allowed by the taxing-master, in this case the Peace Conference. Australian opinion would probably be willing enough to make Germany pay. But it is not impressed by the suggestion that Australia has peculiar grounds for consideration which should make her a preferential creditor among the Allies, either on the ground of "dislocation of her trade and shipping" or the advantage which Canada has enjoyed from the profits of munition contracts.

Australia

Before entering on a consideration of the Peace Conference itself, a word is called for on the question raised by Mr. Hughes on the acceptance of President Wilson's fourteen points by the War Council of the Allies in November last. Australia certainly expected, on the repeated assurances by the British Government, that her Government would be consulted before peace terms were accepted. Both the Government and the people no doubt considered that this assurance imported consultation at a stage when the question of acceptance or rejection of actual terms had to be determined. If then the only answer to Mr. Hughes's complaints was that in 1917, or even at meetings of the War Cabinet in the earlier months of 1918, there had been discussions on the conditions of peace at which the Dominions had the opportunity of presenting their views, this would not be regarded as a substantial fulfilment of the assurance given ; and the further explanation offered on behalf of the British Government—that all that was agreed upon was armistice terms and not peace terms—was wholly unconvincing. A temperate protest, confined to the actual matter, would probably have won the united support of the country. But the Australian Prime Minister took a course which effectively drew off public attention from a great matter to the trivial personal matter of Mr. Hughes's manners and tactics. The facts are still too obscure at any rate in Australia to warrant a confident judgment on the main question ; but it is significant at any rate that the Australian Government was so far informed and alive to the importance of President Wilson's fourteen points as possible terms of peace preliminaries as to cable to Mr. Hughes their objections to certain of them several days before the acceptance of the terms was notified. If, then, there was a lack of consideration to the Dominion representatives in not summoning them to a Council at which the momentous decision was to be taken, it would appear that Mr. Hughes might have made use of his rights as Prime Minister of a Dominion

The Peace Conference

and as a member of the War Cabinet to see that the views of the Commonwealth Government were laid before the Prime Minister of Great Britain.

“So far as we know the facts” must be an implied qualification of most Australian impressions on the Conference. We have a generous cable service, picturesque enough in its incidents and in its attributions to Australia’s Prime Minister. But we have to guess at how much is gossip, how much is inspiration, and how much is sober truth. The Government have maintained silence, and beyond stating that Mr. Hughes has their confidence and support, they have done nothing to inform the public mind either as to the claims which have actually been made in Australia’s name and the manner in which they have been met, or as to the effect of the determinations which have been provisionally arrived at upon matters vital to Australia’s interests. If one thing is more clear than another in this time of confusion and doubt it is that decisions of Governments if they are to be more than scraps of paper must have behind them the knowledge and understanding of the peoples concerned. Attempts to mobilise national opinion upon partial statements in delicate international matters are no improvement upon the “secret diplomacy” of the past.

In regard to the Pacific colonies of Germany the growth of an informed and settled opinion in Australia has been hindered by a censorship which during the years of the war vetoed the discussion of Pacific questions affecting Australia and her relations with the Allies. This may well have been wise or even necessary, but it is a principal cause of a lack of knowledge or even of interest in Australia outside Sydney. Upon one point indeed there was unity of feeling, and this was expressed in the resolutions of the Commonwealth Parliament at the close of 1918—that the German colonies should not be returned to her and that Australia should be con-

Australia

sulted as to their disposition. And all the discussion of the two months that have elapsed since the assembly of the Peace Conference indicates that the Government correctly interpreted Australian opinion in not asking for more. The Labour Press denounces the claim for annexation as immoral, and treats it as a further proof that the war for right and justice was after all merely a phase in the sordid endeavours of capitalistic exploitation. But the "capitalistic Press" (as the Labour papers call their opponents), represented by such organs as the *Sydney Daily Telegraph* and the *Melbourne Age*, are not behindhand in repudiation of annexation as an Australian policy. The standpoint of both these papers is that Australia with her vast continental territory and her small population has not the resources either in men or wealth which would enable her to undertake new responsibilities; and this opinion is strongly held in the official and business world. Both the *Telegraph* and the *Age* consider that the simplest and most satisfactory solution of the problem would have been annexation by Great Britain. The view that the islands are a burden to be assumed as part of the cost of Australian defence, and not an asset which can be accepted as an economic offset against war losses, is almost universal.

If annexation would have been preferred to the mandatory system, the reason is because of the novelty and obscurity of the latter, and the fear that it indicates merely a temporary settlement. There is also the tradition of failure which attaches to attempts to solve the problem of national rivalries by international government, and the Condominium in the New Hebrides, the *mêlée* in Samoa, and the mixed régime in Egypt have been rather glibly cited as illustrations, without a clear appreciation of the distinction between international administration and national administration under international supervision and control. The failures cited belong to the former kind, the proposed system to the latter.

How far the distinction is real must of course depend a

The Peace Conference

good deal upon the character of the mandate and the amount of freedom that is allowed to the mandatory. It is understood that Australia's mandate is to be a wide one, as befits the recognition that she among the nations has the primary interest in the Southern Pacific islands—an interest which, by the way, the United States acknowledged at the time of her own annexation of Hawaii. It would obviously create great administrative inconvenience if Papua were governed under one set of conditions expressive of Australian policy and German New Guinea were administered by Australia under conditions which expressed some other policy. What exactly will be permitted and what forbidden by the mandate is still a matter of some conjecture, and there is a good deal of difference of opinion on the subject. It is assumed that "it will not be possible either to ring-fence the resources and markets or even to provide for a moderate amount of discrimination" (*Sydney Evening News*). But save for some such restriction, it is considered that the mandate may enable Australia to apply to the islands the trade and economic policy of the mainland, including the Navigation Act policy and the exclusion of Asiatics.

The "White Australian" policy views with hostility the immigration of Asiatic races into the islands for more than one reason. First of all, just as it demands that Australia shall be inhabited by a people capable of forming one community, unembarrassed by the presence of unassimilable elements—whether better or worse than the Australian matters not—so it believes that in the case of the islands under its control, justice to the natives requires that they shall be given the opportunity of rising to higher things by a development of their own social life. This is the policy which has been pursued in the Papuan administration. It is believed that this policy is impossible if free immigration is permitted; and the menace to the social development of the natives is greatest from those who are best fitted to increase and multiply and who could best

Australia

turn the peculiar conditions of soil and climate to account. In the second place, the security of the White Australian policy is deemed to require that those lands in proximity to Australia shall be subject to the same restrictions on immigration as are applied to the Continent itself—that safety requires a "buffer state" or "neutral zone."

In all this it is not to be expected that there should be general acquiescence outside Australia; and a warning note is from time to time sounded within Australia itself. It is pointed out that in Australia a vast extent of tropical country is kept out of productive occupation by dedication to the White Australia ideal. If this policy requires further that tropical lands outside Australia shall similarly be left unproductive, and placed out of reach of those who desire access to them, it may incite critical and perhaps unfriendly attention to the policy itself even as respects the mainland.

There was undoubtedly a good deal of impatience in Australia at what appeared the waste of time in discussing a League of Nations, while the peace itself was still unaccomplished, and there was not a little in the cables to suggest that all this discussion was no more than the practical statesmen's tactful indulgence towards the academic theories of President Wilson, whom fortune had placed in a position where he had to be humoured. But Mr. Hughes's belittling of the League and his statement that Australia regarded it as utopian met with little sympathetic response. The Labour Press was loud in protest. Mr. Hughes's statement might truly represent the opinion of "Australian profiteerism of the commercial brand," but it was a monstrous misrepresentation to call it Australian opinion. A typical Labour view is contained in the following extract from the *Brisbane Daily Standard* (December 28, 1918):—

The thorough organisation of the world's workers on the economic principle of co-operation will eventually remove the causes of wars between the nations; but in the meantime the proposed League of Nations is the only solution of the problem while the classes control the production and distribution of the world's wealth.

The Peace Conference

There is perhaps less reason in Australia than anywhere in the world to identify "the classes" with warlike preparation—we have no great armaments companies, and we have no social class with a tradition of service in the army and navy or in civil administration. There is, in fact, nothing to separate the interest of one class from another in the supreme interest of all in peace and security. From the first, when the League of Nations seemed little more than an idea, the Sydney *Daily Telegraph* gave it a welcome as hearty as did any Labour paper, and has vigorously, almost passionately, urged that the present was an opportunity which, if lost, might never recur. The Sydney *Morning Herald*, if less vehement, hailed the proposal as one full of good hope. Other National or Liberal organs were courteous, full of good will to the notion in its right place, but some of the most important among them were rather sceptical and disposed to wait-and-see. As the idea became a plan, elaborated in detail, and backed by statesmen to whom it would be presumptuous to refuse the title of practical, as it became clear that these men were not merely playing a diplomatic game but were very much in earnest, there came a recognition that while the League might not guarantee the world against war, it did at any rate contain many things which were not utopian dreams but practical necessities if there was to be an international organisation corresponding with the actual facts of international relations.

For a country which has been peculiarly sensitive on constitutional matters in their bearing upon the relations of Colonial or Dominion Governments to the British Government, Australia has been singularly without interest in the significance of the change which marks her entry into the Peace Conference and her projected membership of the League of Nations. It may be possible to show that upon some isolated occasion, or for some special purpose, or with some particular country, a Dominion

Australia

has had direct relations with foreign States. But now we have the full, formal and complete admission of the Dominions to the family of independent nations.

The British Empire has existed in the legal sense mainly in the fact that the King was the head of each colony or Dominion as well as of the Government of the United Kingdom ; that there was at any rate this community of citizenship, that allegiance throughout the Empire was a duty owed to the Crown ; and that the whole of the British Dominions were subject to the sovereignty of the Imperial Parliament. But all these things were made to serve or to conform to the internal self-government of a Dominion—the prerogatives of the Crown are in the main the instruments through which the Dominion Government carries on its functions ; the privileges of British nationality in a Dominion are precisely those which the Dominion law permits, and no more ; while the sovereignty of the Imperial Parliament in the case of a Dominion is usually exerted upon the invocation of the Dominion itself. If there was an appeal from the Courts of the Dominion to the King in Council, the Commonwealth and South African Constitutions furnished precedents sufficient to establish the principle that this link of connection remained only so long as the Dominions desired to maintain it. But the political substance of the matter—the thing which prevented the ties of legal subjection from a gradual decay into legal fictions—was the unity of the whole in foreign relations. In the world of states, the British Commonwealth was one state, with one Government answerable for the whole. We may recall the terms used by Mr. Asquith at the Imperial Conference in 1911, when he declared that authority could not be shared “in such grave matters as the conduct of foreign policy, the conclusion of treaties, the declaration and maintenance of peace, and all those relations with Foreign Powers, necessarily of the most delicate character,” then in the hands of the Imperial Government. This *articulus stantis aut cadentis Imperii* is now apparently abandoned.

The Peace Conference

Here, as in other matters connected with the Peace Conference, our information is incomplete. The cables published in the Australian Press vaguely suggest some basis of understanding between the British and the Dominion Governments as to the place of the latter in the League of Nations. Also, we must not overlook the fact that the Dominions are also represented in the Peace Conference, and presumably in the League of Nations, in the British delegation, so that a position is created which is without parallel in modern international arrangements, though it has some analogies in the German Confederation, 1820-1866.* *Prima facie*, the international status accorded to the Dominions would involve the right of each of them to pursue and voice its own policy in the Conference and in the League, a policy which need not be in accord with that of the British Government and may be in accord with that of other Governments, and the right to pursue that policy in association with other Governments against Great Britain. Indeed, it is clear from the reports which reach us from the Peace Conference that the Australian and British Governments have been at odds in some matters, at any rate, which the Conference has dealt with, while we learn that more than one of the Dominions have associated themselves with the small nations' remonstrance against the predominance of the Great Powers, including the British Empire. President Wilson, indeed, seeking to reconcile his countrymen to the *quantum* of British representation in the League of Nations, calls attention to the improbability that in practice the British nations will be found in agreement.

Each member of the League of Nations will presumably be separately answerable to the League for its conduct and policy, and the League is entitled to call on every one of its members for support against a recalcitrant member.

* See Hall, *International Law* (7th edition), p. 26, and for an illustration of the dangers of double or ambiguous sovereignty, see the case of Trieste, described at pages 543-4.

Australia

It appears to follow that in case one of the members of the Empire became embroiled, each one of the others would be placed in a state of hostility towards it. Moreover, as before the League of Nations the nations of the British Commonwealth are fellow-members of the League, differences arising between them would be cognizable by the League, and the constitutional control of an Imperial Government would pass to the League. It is difficult to see how the British and Dominion Governments will stand towards each other in anything but the relation of separate sovereign states, unless the formal admission of the Dominions into the family of nations is qualified by some understanding—to which in the circumstances it is hardly possible that the British and Dominion Governments can be the only parties.

If that is what we really intend, there is no more to be said; but it is vital that we should know where we are going. In present conditions, any tendency to extreme assertions of independence in policy is checked by the knowledge that ultimately the defence of the Commonwealth depends upon the support of the forces of the Empire, or at any rate of Great Britain, while at the same time many points in Australia's actual legislative policy are possible only because of the knowledge that that support is behind her. With the League of Nations a reality, these considerations would be weakened, and there would be little or nothing left to check the disintegration in substance which the new status of the Dominions presents in form. How far mature reflection in Australia will accept the new model as satisfactory remains to be seen. Anyone who reflected at all realised that after the war the relations of Great Britain and the Dominions would be profoundly altered. But it was at least expected that the Parliaments and peoples of these countries would have had the opportunity of deciding what these relations were to be, before their Governments presented a *fait accompli* to foreign countries for their recognition. Australia certainly

The One Big Union

expected consultation in the peace terms and the association of her Ministers with the British Ministers at the Conference. But representation as a separate nation formed no part of her expectation, and she has as yet no conception of its implications or the responsibilities it imports. Current opinion accepts the fact of separate representation, but scouts the notion that it is really significant of a breach in the unity of the Empire, for this reason if for no other that Australia cannot as yet go alone. The British are not a logical people in their political arrangements ; but to be and not to be, is a question which to answer will tax all our political acumen. Whether the League of Nations becomes a reality or not, a step has been taken which will be found to involve serious permanent changes. The most obvious of these is the precedent for the establishment of direct relations between the Dominions and foreign countries. The summoning of an Imperial Conference at the earliest practicable moment to consider the Constitution of the British Commonwealth has become a matter of urgent necessity. Only after such a Conference shall we be able to know whether the changes into which we have been hustled are the work of statesmen planning with foresight for the future, or are a hasty device for avoiding difficulties and responsibilities.

II. 'THE ONE BIG UNION

THE Trade Union movement in Australia, in common with that of most other countries, has for the past twenty or thirty years made repeated endeavours to create a closer form of Unionism, national in its scope and solidarity. In the last twelve months a new effort, more strenuous and co-ordinated than any in the past, has been made by many of the leaders of Unionism in Australia to establish what is officially entitled "The Workers' Industrial Union of Australia," but is generally known as the "One Big Union."

Australia

The first national meeting of Australian Trade Union delegates was held in Sydney in 1879, the second in Melbourne in 1884. At the third Congress, in 1885, a scheme for the federation of Trade Unions throughout Australasia was adopted. In the several subsequent Congresses held before the close of the century, inter-colonial federation was always to the fore, and constitutions upon which it was to be based were actually drafted and generally agreed upon. In practice, however, nothing was done beyond the organisation of more representative bodies within each State, such as the Trades and Labour Councils. Since the establishment of the Commonwealth, Trade Union Congresses have been held in 1902, 1907, 1913 and 1915, while during the war several Conferences have led up to the One Big Union Conference held in Melbourne in January, 1919. So far, every attempt to form a unified organisation has failed. At the same time, the process of amalgamation or absorption, especially under the ægis of the Australian Workers' Union,* has proceeded in every State, in spite of the keen opposition of many Craft Unions. Hitherto, four schools have been observed in keen antagonism to one another :—(1) The A.W.U., which aims at a kind of amalgamation of Unionism by absorption of smaller Unions into its own body ; (2) The Federationists, who aim at a looser union of craft organisations, retaining their autonomy except in the larger affairs of federal interest and scope ; (3) The supporters of Craft Unionism in its original form, with only such occasional combination for united action, or permanent association for discussion as the general needs of the Labour movement seem to demand ; (4) The advocates of absolute and complete amalgamation of all Unions in Australia, involving the abolition of craft demarcations in favour of one comprehensive industrial Union, divided for administrative purposes into Trade Departments, but

* The A.W.U. was in origin primarily a union of bush workers, but now includes a considerable portion of miners and rural workers, and in particular unskilled workers.

The One Big Union

governed by one Council for Australia. All these movements were in existence before the war. At the present time the fourth has assumed apparent predominance. In reality the conflict among them all is more violent than ever, but in a very different atmosphere from that which existed four years ago. The preamble and constitution of the "One Big Union" exhibit a departure from the outlook and policy hitherto characteristic of Australian Trade Unionism. The preamble is worth quoting in full:—

1. We hold that there is a class struggle in society, and that the struggle is caused by the capitalist class owning the means of production, to which the working-class must have access in order to live. The working-class produce all value. The greater the share which the capitalist-class appropriates, the less remains for the working-class; therefore, the interests of these two classes are in constant conflict.
2. There can be no peace as long as want and hunger are found among millions of working people and the few who constitute the employing class have all the good things of life.
3. Between these two classes the struggle must continue until capitalism is abolished. Capitalism can only be abolished by the workers uniting in one class-conscious economic organisation to take and hold the means of production by revolutionary, industrial and political action. "Revolutionary action" means action to secure a complete change, namely, the abolition of capitalistic ownership of the means of production—whether privately or through the State—and the establishment in its place of social ownership by the whole community. Long experience has proved the hopeless futility of existing political and industrial methods, which aim at mending and rendering tolerable, and thereby perpetuating capitalism—instead of ending it.
4. The rapid accumulation of wealth and concentration of the ownership of industries into fewer hands makes the Trade Unions unable to cope with the ever-growing power of the employing-class, because Craft Unionism fosters conditions which allow the employer to pit one set of workers against another set of workers in the same industry, thereby defeating each in turn.
5. These conditions can be changed, and the interests of the working-class advanced, only by an organisation so constituted that all its members in any one industry, or in all industries, shall take concerted action when deemed necessary, thereby making an injury to one the concern of all.

Australia

6. We hold that, as the working-class creates and operates the socially-operated machinery of production, it should direct production, and determine working conditions.

This statement, based as it obviously is upon the Communist Manifesto of Marx and Engels, and such of its descendants as the preamble of the I.W.W., is a far cry from the platform of the Australian Labour Party, with its programme of legislative reforms and nationalisation of industry. At this stage it is difficult to estimate the volume of support which the Trade Unions are prepared to give to this revolutionary movement. But it is highly significant that the One Big Union should have achieved even its present measure of success in a country where Labour has often held, and will hold again, the reins of government, and where there is perhaps less economic poverty and a more even distribution of wealth than anywhere else in the world. The general causes of industrial unrest have frequently been analysed in the Australian articles in the ROUND TABLE. The cumulative influence of these must be borne in mind as one of the factors in the One Big Union movement. Their main result has been a great intensification of class-consciousness and the development of an internationalism hitherto almost unknown amongst the rank and file of Australian Labour. That the culmination of these developments should be so drastic as the O.B.U. preamble suggests needs, however, some further explanation, and the various forces bearing upon the O.B.U. are of sufficient general interest to warrant an attempt at their analysis.

The membership of Trade Unions in Australia is about 600,000. The vast majority of these members remain to-day the mildly class-conscious, non-socialistic majority, who generally vote Labour, but are liable to vote otherwise on special occasions, and vaguely favour progressive legislation and non-violent industrial action. In a ballot on the extinction of their Craft Unions in favour of the O.B.U.,

The One Big Union

these men would almost certainly vote against any such comprehensive and revolutionary scheme as that of the Workers' Industrial Union. The fear that their special interests would receive but scant attention in a wider organisation greatly influences them, and is well grounded in the experience of both Australian and British Unionism. Further, the discussions in Labour circles in all States have already shown strong opposition to the revolutionary character of the Big Union scheme. Since more than half the total population of the Commonwealth have deposits in the Savings Banks, the average amount per depositor being over £40, as against less than £16 in Great Britain, the majority of Australian workers have a strong vested interest in the social stability of their country. Further, large numbers of workers own the houses they live in, and possess other forms of property usual in their class, such as funds in Friendly Societies, Insurance Companies, Building Societies and trading enterprises. While such workers may, on occasion, be persuaded to enter upon a strike, or to take part in a general industrial upheaval, it is unlikely that they would lend support to such a social revolution as that contemplated by the O.B.U. More important still, perhaps, is the fact that every Union in the Commonwealth can have recourse to Wages Board or Industrial Arbitration Court for the redress of grievances or to secure new awards fixing wages and other conditions of labour. In spite of frequent expressions of opposition to the arbitration system within the Labour movement, the Australian Workers' Union, in a ballot on the subject of arbitration *versus* "direct action," showed the remarkable majority in favour of arbitration of 15,500 in a total vote of 30,000.

More definite opposition to the O.B.U. than is likely to be offered by the rank and file has already appeared amongst the Craft Union officials, the Australian Labour Party—the official political organisation of Labour throughout the Commonwealth—and the Australian Workers' Union, by far the largest Trade Union in the country. The

Australia

opposition of the Craft Union officials includes both those who are satisfied with the *status quo* and the supporters of a federal form of organisation of Unions. Many of these Trade Union secretaries have not hesitated to express their strong disapproval of the Bolshevik programme of the O.B.U. Their antagonism to the principles of the manifesto has been intensified by the somewhat truculent language used towards them by certain leaders of industrial Unionism, who refer to them as "traitors in their midst." A Sydney leader of the O.B.U. coolly announced that, in place of holding the proposed ballot in each Union, they now intended to act without the assistance of the Union officials, and arrange for each workshop or mine to elect shop-committees. "What we propose to do is to go on the job," he said, "and force them to compel their officials to take a ballot." Such words and tactics are arousing keen resentment amongst the more moderate Unions, which would be likely to reject the scheme. More active opponents are the Federationists, who have actually put forward and are now discussing in conference the constitution of a federation of Australian Unions. What support they will get, it is difficult to say. Labour politicians and the organisers of the Australian Labour Party are manifesting increasing opposition to the scheme, partly because of its tacit repudiation of the Labour platform with its reliance on Parliamentary action, and partly owing to its revolutionary purpose and its own separate political pretensions. The Acting Premier (Labour) of Queensland and the Labour Opposition Leader in the New South Wales Parliament have definitely and emphatically repudiated the principal spokesmen of the O.B.U., and declared them antagonistic to the political Labour movement. The Adelaide Trades and Labour Council has rejected the scheme by a narrow majority. This significant event is due to the combined opposition of the A.W.U.—very strong in Adelaide—and the Labour politicians. In other States also the officials of the Labour Party are expressing them-

The One Big Union

selves very strongly against those socialist advocates of the O.B.U. who are antagonistic to the political Labour movement. It is probable that the combined opposition of the Australian Workers' Union, which regards itself as potentially a One Big Union, and the Australian Labour Party, which is satisfied with Parliamentary action backed by Trade Unionism, will prove very formidable. It will be assisted by the forces of disintegration and conflict inevitable in such an ambitious scheme, and also by the number and variety of the revolutionary "hangers-on" to the O.B.U. These latter call for special comment.

The social and economic disturbance inseparable from a world-war, particularly the two conscription referenda, coupled with the repercussions of the Russian Revolution and industrial unrest in the United Kingdom, provided a golden opportunity to all extreme socialists and revolutionaries in Australia to gain a hearing and sympathy that normal times would never vouchsafe to them. The fact that the Labour Party was not in office in the Commonwealth or the principal States (New South Wales and Victoria) during the war increased the forces of social unrest. The most important causes of discontent, however, were the high cost of living, the belief that the price-fixing devices failed to prevent profiteering, and the drastic application of the War Precautions Act. In the general welter the voice of the International Socialist sounds like the clarion of inspired leadership, especially when he speaks through the existing organisations of Labour. Thus, small and insignificant bodies, like the Socialist Labour Party and the International Socialist Party, have secured the acceptance of an appreciable measure of their doctrine of industrial Unionism by grafting themselves upon the organised Labour movement. This development has been assisted by the general spread of the ideas of Syndicalism and Guild Socialism, which commend themselves to many who are dissatisfied with State Socialism, parliamentary institutions and orthodox Trade Unionism. Nevertheless,

Australia

the very conglomerate character of this combination of small sects renders its association precarious and introduces disruptive elements into the O.B.U. Already several of them are issuing "One Big Union" newspapers, declaring one another "bogus" and heretical, in the familiar manner of the doctrinaire. The Socialist Labour Party preaches one kind of politics and industrialism, the Australian Labour Party advocates the reverse, while the I.W.W., the International Socialists and the Social Democrats cry aloud that theirs alone is the gospel of the workers.

The details of organisation of the proposed Workers' Industrial Union of Australia show a curious lack of imagination which alone will make its success problematical. The distribution of control amongst Grand Council, Provincial Councils, and local committees, and the grouping of the members into industrial departments, divisions, sub-divisions, sections and mixed sections is more elaborate than practical. Not only does it overleap all the old and well-known difficulties of demarcation, but it is copied with slavish imitation from American pamphlets written by members of the I.W.W. and the Socialist Labour Party, with little attempt at adaptation to Australian conditions. The O.B.U. leaders, as is clear from their use of American terms and industrial "slang," and their constant reference to the Russian Soviets, entirely fail to grasp the enormous differences between a highly industrialised country like America and the very different situation of Australia, and the impossibility of importing the Russian Soviet into our national economy.

If the organisers of the O.B.U. have shown a want of imagination and social responsibility, no better can be said of the employers and their representatives in dealing with this movement, particularly through the daily Press. It is impossible to urge any valid objection against the efforts of the workers to make their own organisations, industrial and political, more complete. The neglect of the legitimate interests of the workers by the well-to-do in all coun-

The One Big Union

tries is one of the main causes of the present social unrest. This is no less true of Australia than of England. The better conditions enjoyed by the Australian worker have been gained generally in the teeth of the strong opposition of the employer. The enlightenment now being exhibited by British employers in their conception of the relations between employer and employee is greatly in advance of the views prevalent among Australian employers generally. As has often been stated in these articles, the intense class bitterness in Australia is probably traceable to closer industrial organisation on both sides, the success of Labour in politics, and the better education and conditions of life of the workers. Existing methods no longer meet our industrial needs. The workers demand a share in the control of industry and security from economic accident.

Australia. March, 1919.

SOUTH AFRICA

THE NATIONALISTS AND THE PEACE CONFERENCE

THE sudden termination of hostilities took South Africa by surprise. It was a surprise to the general public, but still more to that section of it represented chiefly by the Nationalist politicians, with whom it was almost an article of faith that Germany could not be defeated and that a German victory or a stalemate was the only conclusion of the war which needed to be taken into practical account. On this section the news of the armistice came almost with stunning effect which seemed at once to justify the predictions of those who had held the view that the victory of the Allies would deal a fatal blow to the Nationalist propaganda here. It soon became evident, however, that the prophets had been too hasty. Two by-elections in the Cape Province towards the end of November, where the issue was clear between the South African Party and the Nationalists, resulted in a Nationalist gain in one case and a largely reduced South African Party majority in the other. Nationalist meetings throughout the country show no sign of the diminished activity which was in many quarters expected to follow on so complete a reversal of their calculations as to the issue of the war. The leaders of the party had for some time sedulously encouraged their followers in the belief that the Allies by posing as the protectors of small nationalities were logically committed to the restoration

The Nationalists and the Peace Conference

of the independence of the Transvaal and the Orange Free State. Even if they could not expect too much sincerity from British statesmen who proclaimed these ideals when asked to apply them in practice to their own Empire, there remained President Wilson, who as head of the great American Republic could be trusted to see that justice was done. The adoption by the Nationalists to this extent of the declarations of Allied statesmen as to the cause for which they were fighting did not carry with it any expression of hope for the success of the Allied arms, still less any support for the Union Government in its policy of using all the resources of the Union in men and money for the assistance of the Empire. Nor did their eager acceptance of the pronouncements of President Wilson lead them to conceal their disappointment at the entry of the United States into the war. These declarations and pronouncements were used rather as an intellectual justification of the movement for independence —a movement whose real origin and driving force were bound up with a deep antipathy to the British connection as such and to any cause the success of which was a matter of vital import to the Empire.

As soon as the end of the war came, however, proposals were made in various quarters that the claim for independence should be raised as an international question at the Peace Conference by means of a deputation from the party. There was no possibility of their being officially represented there. The Caesar to whom they were to appeal was the Conference of victorious Allies. Still the policy of the protection of small nations had been put so prominently in the front of the Allied appeal to the world that the party could plausibly urge their followers to press a claim for recognition in the readjustment of the nations of the world. A mission to Europe was therefore strongly advocated by what may be called the forward element of the party. Even if a direct result was not to be expected, the party would be strengthened by

South Africa

having a definite object to work for and by the prospect of attaining their ideal by means which even the British South African could not logically repudiate.

A Party Congress was therefore summoned to decide on the proposed mission. The first question which presented itself was, What were they to ask for if they got to the Peace Conference ?

This question raised difficulties which went to the root of the whole movement. In the first place, should they ask for the independence of what is now the Union of South Africa or limit their request to the restoration of the two republics ? As a party they profess to represent the whole of the Union. They uphold independence as a national ideal and profess to speak in the name of a South African nation. Besides, the restoration of the two republics, while it might satisfy the sentiment of a few, would mean the breaking up of the Union and a return to the old condition of conflicting policies and economic rivalries which made union a practical necessity in 1910. Now if there is one political achievement which has stood the test of political and racial controversy in South Africa it is the Act of Union. It is almost safe to say that no responsible public man seriously contemplates tearing it up, or would ask for anything which would involve its destruction if he thought there was any prospect of its being granted. So far, then, all the circumstances would seem to point to their asking for the independence of the Union, which, of course, is what they really want. This, however, brings them up against even more serious difficulties. What authority can their representatives assume for making such a request ? The people of the Union is represented in its Parliament. No other body has power to alter the Act of the Constitution. Technically the Imperial Parliament could repeal or alter the Act, but it would be quite unconstitutional on its part to do so except at the request of the Union Parliament. The Nationalist Party cannot send a dele-

The Nationalists and the Peace Conference

gation which can pretend to speak for the Union Parliament. They constitute less than one fourth of the elected House, and from no other quarter of the House is any support forthcoming for their movement. They cannot therefore pretend to any authority for such a request as the grant of independence to the Union. Nor is anyone competent to hear such a request, except the Union Parliament which has already decided against them.

Even if they could appear before the Peace Conference as representatives of the Union they could hardly claim to be heard on behalf of an oppressed nationality, as the Union was formed voluntarily by the peoples of the four colonies. As to that, they contend that the formation of Union was merely a development of the original wrong done in the annexation—or, as their leader has put it, that it was the coming together of four slaves to find some amelioration of their state of slavery. But if we look at the position as plain men and apart from political casuistry we see at once that only by repudiating the conception of a South African nationality and falling back on the old racial monism which ignores or rejects the claim of the other race to any share in nationality can they profess to speak for a South African nationality at all. The party claims to speak for the Dutch-speaking people. It represents a considerable number—possibly even a majority of them. But even if its claim to the majority is allowed for the sake of argument, there is certainly a large and important section of the Dutch-speaking people which does not owe allegiance to it and strenuously opposes its principles and methods. The English-speaking community, which numerically is almost equal to the other section, is almost entirely opposed to the Nationalist Party. The delegation from the Nationalist Party, therefore, could not come before the Peace Conference as representing a nation at all, but only a section of a racial division of the people of South Africa.

On this point—as to whether they should ask for

South Africa

independence for the Union or for restoration of the two republics—the mandate of the delegates as explained by their leader in the House of Assembly was that they should ask for independence for the Union, but if there should be insuperable difficulties in the way of that owing to the fact that other sections of the people do not want it, then they should limit their request to the restoration of the two republics, to which the declared policy of the Allies was understood to afford a clear right. If even this should be objected to, on the ground that the party does not represent a majority of the Transvaal—indeed it only returns four members out of forty-five for that province—then they fall back on the Orange Free State, where they unquestionably command a majority.

A further question was raised at the Congress which decided on the sending of a delegation—namely, whether they should ask for independence only or complete separation from the Empire. The Congress decided by an overwhelming majority in favour of complete separation. It is not easy to appreciate the difference between the two. Independence in its ordinary sense would carry with it complete separation from the Empire except to the extent to which the emancipated Dominion might decide in its own interest to enter into relations of alliance with it. A certain amount of importance, however, was lent to the question owing to the fact that one of the few British supporters of the Nationalist Party, who has taken a prominent part in its counsels since it began and has been a strong advocate of the independence movement, hesitates at the idea of an independent South Africa completely separated from the Empire and depending for its existence on the good will of a protecting foreign Power or a League of Nations. Shortly before the Congress he addressed to his fellow Nationalists an open letter setting forth very ably and cogently reasons both internal and external which might well cause any practical statesman to hesitate about committing South Africa in her present conditions to

The Nationalists and the Peace Conference

navigate by herself the perilous seas of international relations. But his warnings went unheeded.

It may be gathered from all this that the decision to send a delegation to Europe has been taken not so much because of what it is instructed or authorised to ask for. The real objective of the mission is South Africa. The result expected of it is not the granting of the requests which it is to put forward to whatever person or body it may find willing and competent to hear them but the strengthening of the party here. The object of the party here is to press on what they call the constitutional movement for independence, and the first step in that movement is to secure a majority in the House of Assembly. When that is done they will then be in a position to speak in the name of South Africa and demand through Parliament separation from the Empire.

It would be idle to underestimate the significance or the strength of this movement or to see nothing deeper in it than the personal animosities or disappointed ambitions of leaders. It appeals to some of the strongest emotions and traditions of the Dutch-speaking people and assumes all the adventitious attraction of a movement for freedom. It has been countered so far by the resolute stand of General Botha and his Government. Men like General Botha and General Smuts and many of their followers have the same republican traditions as those which the Nationalists now so loudly profess, and have done and sacrificed more in defence of them than most of that party have, but they direct their feelings by a more long-sighted view of the permanent interests of South Africa. In popular government, however, the direct appeal to strong sentiment is a force which is not easy to resist, and in South Africa under present conditions nothing is easier for a watchful Opposition than to find in every act of the Government fresh material for an appeal to the feelings which they desire to inflame. The prospects, therefore, with which the country will be faced at the General Elec-

South Africa

tion, which is due next year, cannot be regarded without anxiety. The Nationalist movement appeals in the last resort to racial sentiment. "We are not pro-German," as one of their speakers said in the House of Assembly, "but anti-British." As long as the parties who oppose their propaganda carry with them a large and influential section of the Dutch-speaking people, this appeal loses much of its force, and for that reason the main effort of the Nationalists is to make the division on policy coincide with the racial division by bringing over to their side the Dutch-speaking people as a whole. This effort unfortunately is sometimes unwittingly strengthened by thoughtless demonstrations of patriotic feelings on the part of the British section, who are not always quick at understanding the feelings of people who differ from themselves. It is too much to expect this section to suppress all expression of its patriotic feelings, more especially in the face of acts and declarations which to the ordinary British South African seem little short of treason. He must learn, however, that his first step towards being a citizen of the Empire is to be a citizen of South Africa, and that the only condition on which South Africa can remain a member of the Empire is that British and Dutch South Africans must be able to work out a common basis of citizenship. The contention of the Nationalists that no real equality of the two races is possible while South Africa is part of an Empire which is British in its flag and institutions finds its support in the failure on the part of some British South Africans to realise that citizenship of South Africa as a self-governing Dominion must be something which is wide enough to include the national aspirations of South Africans, and not a mere replica of that of Great Britain.

The motive forces of the Nationalist movement, as has been said, lie deep in the feelings and traditions of the Dutch-speaking people. It might, however, have smouldered long and even lain dormant had it not been for the European War. That was the occasion which called it

The Nationalists and the Peace Conference

forth into such vigorous existence. Now that that strain has been removed it is possible that with time the movement may become less insistent and may die down as similar movements have done elsewhere. "Patience and courage" (*Geduld en moed*) was the old Free State motto, and South Africa will certainly require all that her statesmen and leaders can give her of both these qualities to come safely through the troubles which now confront her.

The Union Parliament has again recorded its opinion on the movement for independence; and, as before, the division found the Nationalists voting by themselves against the three other parties. In the House of Assembly a motion was introduced by Sir Thomas Smartt, leader of the Unionist Party, condemning the agitation now being carried on for the dissolution of the Union and the severance of the connection at present existing between South Africa and Great Britain, and expressing the opinion that such agitation, if persisted in, will lead to civil war and bloodshed in South Africa. The debate which took place on this motion was one of the longest that the House has known, and was marked throughout by a high level of thought and feeling. In the end Sir Thomas Smartt withdrew his motion in favour of a Government amendment moved by the Acting Prime Minister, which was adopted on a division by 78 votes to 24. The Government amendment differed from the motion only in welcoming "constitutional developments which make the Union in an ever fuller sense a self-governing Dominion" and in deprecating "attempts to invoke the interference of any outside Power in the affairs of the Union." Otherwise its differences from the motion were only verbal.

In his speech in the course of this debate General Hertzog rested his case mainly on two grounds. One was drawn from the past history of South Africa. The annexation of the two Boer Republics was, he said, the violation of the rights of two small nations, and in accordance with the legal maxim, *spoliatus ante omnia restituendus*, the

South Africa

peoples of these States had an indefeasible right to claim restoration. The other and more practical argument he founded on the existing relations between South Africa as a self-governing Dominion and the United Kingdom. The nature of this relation was, he said, such that South Africa could not enjoy real self-government. Its relations with other nations, involving the issues of peace and war, are determined by the Government of the United Kingdom, which is responsible solely to the Parliament and people of the United Kingdom. The people of South Africa, consequently, may, and in the case of the recent war they did, find themselves in a state of war without any means of exercising their influence for or against the decision by which they are committed to it. In support of this contention he quoted freely from *The Problem of the Commonwealth*, in which the existing relations between the United Kingdom and the Dominions are criticised from the same point of view. He accepted the proposition which is laid down in that work—namely, that there are only two courses open to the Dominions if they wish to attain in reality to the status of free and self-governing peoples—either to form an organic union with the United Kingdom or to separate from the Empire as independent States. The former alternative he rejects, as one which the vast majority of South Africans regard as impracticable. He therefore claims the author of *The Problem of the Commonwealth* as an authority on his side in favour of independence as the ideal for South Africa.

On the other side the main arguments were that the doctrine of restitution can no longer be invoked for the purpose of setting up again the two Republics, because that would involve the disruption of the Union into which the people of these two Republics, together with those of the British Colonies of the Cape and Natal, willingly entered. To destroy that Union now, at the request of a section of the people now living in the Transvaal and the Free State, would be an unjustifiable interference with the

The Nationalists and the Peace Conference

political rights of the present citizens of the Union. The Act of Union, it was further argued, was in the nature of a solemn compact, or at any rate was founded on a solemn compact, between the British and Dutch peoples of South Africa, and it was an essential part of that compact that the Union to be brought about thereby should be—as is expressed in the preamble to the South Africa Act—a Union under the British Crown. Such a compact could not be dissolved by a bare majority of the Union Parliament, such as would be sufficient to carry ordinary amendments of the Act, but would have to be sanctioned by a substantial majority of both sections of the people. The argument was carried further, and it was contended that the Act of Union was, or rested upon, a compact between South Africa and the rest of the Empire; and that, while full power is given to the Union Parliament to amend the Act of Union, yet an amendment involving the secession of the Union from the Empire would be a matter in which the other Dominions, or at any rate the United Kingdom on behalf of the Empire, would claim the right to be consulted. The attitude of Lincoln towards the seceding States of the South was cited as justifying the other partners in the Empire in interfering by force to prevent the secession of South Africa.

A debate in which such issues were raised marks in itself a stage in the growth of the Dominion towards a more complete national life. Unfortunately South Africa is so deeply divided by memories of racial strife that the raising of these issues threatens the public peace and revives the old quarrels which stand in the way of political progress and national unity. For that reason, as has already been said, the coming General Election will be a critical time for South Africa.

South Africa. March, 1919.

NEW ZEALAND

I. THE LABOUR SITUATION

WHILE industrial affairs in New Zealand have not reached the alarming stage which the cables duly tell us exists at Home and in Europe, there is much to cause disquiet. Two disputes loomed large recently—both of them in the transport section of industry. Differences between the drivers and their employers over wages and hours of labour threatened to develop into a serious dispute, but fortunately an adjustment was arrived at just in time to prevent a general strike of transport workers throughout New Zealand. Even more important is the dispute between the New Zealand Locomotive Engineer Drivers, Firemen and Cleaners' Association of employees on the State Railways and the Minister of Railways. The men claim that their legitimate demands for improvements in pay and conditions have been shelved by a too dilatory Minister. Public opinion seems in the main to agree on this point and also with the claim that the men are entitled to more money and increased opportunities of promotion. War bonuses have served as a palliative, but the time has come when the men should know where they stand in the matter of earnings.

These are but two outbreaks of a fire which all thoughtful people realise is only waiting to be fanned to serious flame. Concrete evidence that the lot of the worker has become increasingly hard is shown by the statement in the Government Statistician's abstract of statistics for December as

The Labour Situation

to the comparative costs of an assumed weekly consumption of certain foodstuffs during recent years. The budget is framed on an exceedingly frugal scale, yet shows an increased cost in November 1918 as against July 1914 of about 8s. 6d. per week (from 19s. 8½d. to 28s. 3½d.). This means that the family with £3 per week must spend nearly one-half instead of one-third of the weekly income in the purchase of the barest necessities. The percentage increase is 43·55 per cent., which means a war tax of 8s. 8d. in every 20s. of income spent on the food articles in the assumed budget. Other items of weekly expenditure have increased probably in greater ratio, and it is this diminished worth of the sovereign, the fall in real wages, which is the principal cause of the labour unrest in New Zealand.

It is generally felt that the Government has failed entirely in its repeated promises to reduce the cost of living—especially in a country where foodstuffs and raw materials are available in abundance. An exceedingly important step was taken by organised Labour in January, when the National Alliance of Labour was framed. This body unites all the national organisations of industrial labour and is marked by a unanimous desire to close up Labour ranks into a solid phalanx for better wages and working conditions. A recent circular issued by the Federation of Labour, now united in the new body, has been much criticised. The manifesto repudiates the Arbitration Act and refuses the idea of mediation, conciliation or arbitration in industrial disputes on the claim that any such measure “is based on compulsion and tends to perpetuate the wages system and to rob the employed of liberty of action.” In its place the Federation proposes the nationalising of all industries, controlling them by a National Industrial Council, an Advisory Council, district councils and workers’ committees.

A review of the year as it affects Labour shows that the most important event was the decision of the Court of Appeal that it was not possible for Unions to amalgamate,

New Zealand

unless they were Unions of the same kind. It was subsequently decided that it is possible for persons in associated callings to form one body, if they are employed in kindred industries. For instance, the Compositors' Union and the Bookbinders' Union cannot amalgamate, but it is possible for the members of either body to form a representative body and register under the Arbitration Act. So far only the Freezing Workers have taken advantage of this interpretation of the Statute, and as a result ten Unions in the freezing industry are superseded by one with a membership of 1,500. The Court's decision is of the utmost importance, for national labour organisations make for greater efficiency and uniformity—the natural result is one agreement covering the conditions of labour in any one trade throughout New Zealand. On the whole, Unions which endeavoured to settle their differences in the Arbitration Court have not been satisfied with the results. It is claimed that the Court set as the standard wage 1s. 2d. per hour (plus 10 per cent. war bonus) for unskilled, and 1s. 6d. per hour (plus 10 per cent. war bonus) for skilled labour—figures to which it adhered until quite recently. The figures of the Government Statistician quoted above are advanced by Labour as proof that, although wages were increased, the cost of living advanced further still. In this connection, on December 20, at Auckland, the President of the Arbitration Court (Mr. Justice Stringer) made an important statement on the question of wages and the cost of living. When the Court granted increased bonuses of 1d. and 2d. per hour he pointed out that the responsibility for the difference between wages and the real value of those wages rested with the Government, which, through Parliament, had the power to restrict profiteering. His Honour confessed that he thought the Government should have done something ere this. He said that the Court raised wages in sympathy with the cost of living, and after a year found that the wages were further off than ever from being in correspondence with the increased cost of living.

The Labour Situation

The Court also realised that there must be a limit to the amount paid in wages, especially in a community competing with other countries. Therefore it would appear that some means of relief other than raising wages must be sought. At the same time, the Unions adhering to the methods of settling disputes through the Arbitration Court note that those Unions which point the pistol at the head of employers receive most consideration—notably the miners and the seamen. For instance, while miners have received an advance of 27 per cent. since the war, Unions adhering to the Arbitration Court have had to remain content with 10 to 15 per cent. increases. Certainly the powers of the Arbitration Court have been enlarged, especially in the direction of reviewing current awards. The Act providing the necessary powers was one of the unconsidered measures hastily rushed through during the last session (October 24–December 10), and instructs the Arbitration Court, when considering the amendment of a previous award, to take into account the increased cost of living which has resulted since the earlier award was made. On March 6 the Court issued a memorandum giving its interpretation of the new Statute in the following words. It “interprets the recent Statute to mean that, in the absence of any countervailing consideration (which was not shown to exist in any of the cases before the Court), the wages of workers should, for the future, be increased in correspondence with the increase, since the making of the several awards, in the cost of living.” In short, the Court now considers that its main function is the maintenance of real wages. The cost of living is taken as the standard, and new awards must be based on purchasing power—maintaining this at the same ratio to the cost of living as was provided by the old award which is thus displaced. But if this course is to be effectively carried out, it means that the Court has really to take upon itself the distribution of wealth. It is interesting to note that some years ago Professor Taussig, a leading American economist,

New Zealand

in his *Principles of Economics*, pointed out that this must sooner or later arise for the effective operation of the Arbitration Court system, although it was evident that he considered that the issue might be indefinitely postponed. It is now clear to all that the Arbitration Court system contained the implication which had been observed by economists, but which Parliament and the public failed to realise—that those who settle wages must ultimately settle the other shares in distribution. Just how any result is to be obtained it is difficult to see, for as wages are increased, manufacturing costs are increased proportionately, with the result that selling prices must also go up. These in turn influence the cost of living and will call for a new award. To use the expressive phrase of an editorial in the Wellington *Evening Post* of March 8, "To start wages racing after prices is like setting a cat to chase its tail."

What our Parliamentarians were thinking about—or rather, just why they failed to think logically—on this matter it is difficult to conceive. It is impossible for any Court to maintain real wages, unless it has complete control of all the economic factors that enter into the cost of living, and without these powers the net result will be a constant rise in wages which in turn will adversely affect the rest of the community and particularly that great body of workers and employees whose labour is unorganised.

Only two courses are now possible. The Court must be given powers enabling it to control the many and various economic factors referred to or new legislation must be advanced enabling it to exercise a discretionary function when making awards.

New Zealand's War Effort

II. NEW ZEALAND'S WAR EFFORT

THE Defence Department is to be congratulated both on the promptness with which it placed before us the figures showing the effort put forth by the Dominion in the mobilisation of man power during the great war, and on the clear manner in which the facts were tabulated. The document, which was issued on February 14, will be one of historic interest for all time and must bring credit to the Dominion when considered by posterity. The return is entitled:—"The New Zealand Expeditionary Force: Its Provision and Maintenance."

It is indeed a record of a wonderful performance. Prior to the war it was considered that the maximum possible mobilisation of one nation was 10 per cent. of the total population. Many of the belligerents in the great war certainly exceeded this figure, but it was scarcely to be expected that a country so far removed from the seat of hostilities as New Zealand would do so. Yet the Dominion mobilised for service 11·4 per cent. of her total population, and over 50 per cent. of the males of military age were actually sent into camp, while the number exported overseas totalled 100,444—equivalent to 9·3 per cent. of the total population.

The fact that of the total mobilisation for the military forces (including voluntary recruits for home service) 91,941 were volunteers fills us with pride and satisfaction. It is proof that in the face of bitter fighting and fluctuating fortunes the Dominion recognised that its duty to the Empire and the cause of our Allies was paramount. When the ranks of the younger men were depleted, those of middle age took up the burden. How low the reserve of man power had fallen when the welcome news of the armistice reached us is shown by the fact that no less than 220,000 men had passed through the recruiting machine. This is indeed a remark-

New Zealand

able record, especially when one considers that on March 31, 1914, the total male population of 15 years of age and upwards was about 397,000. It is also necessary to add to the figures given above the men known to have left New Zealand and enlisted in British and Australian forces —these numbered 3,370, exclusive of British reservists. In addition many men joined the Canadian and South African Forces. As one reads the document one is impressed by the fact that New Zealand's war effort was continuous and sustained. From the first day we really entered the conflict by sending our first Expeditionary Force to Samoa, a steady flow of reinforcements was kept up, enabling New Zealand to remain to the end and earn the distinction of maintaining one of the strongest divisions in the Allied armies. It was this fact that enabled us to sustain 9,000 casualties in a continuous offensive over a period of three months and yet be in the very thick of the fight at the finish. It is when one turns to other sections of the report that one sees that, to quote an expressive sentence from an editorial in the *Evening Post*, Wellington, of February 14: "If," to adapt a phrase of Mr. Kipling, "blood be the price of Empire, New Zealand has paid in full." The record of war losses shows that in seven great battles we lost no less than 42,800 gallant men by wastage of war. The report gives the figures of the losses in the various engagements on the Gallipoli Peninsula and the Western Front as follows:—

Landing at Anzac and battles, April and May, 1915	..	2,800
August offensive, 1915, Gallipoli	..	4,000
Battle of Somme, September, 1916	..	8,000
Battle of Messines, June, 1917	..	6,500
Battle of Passchendaele, October, 1917	..	7,500
German offensive, March-May, 1918	..	5,000
British offensive, August-November, 1918	..	9,000

Of these the single day's fighting at Passchendaele was indeed the most costly—7,500 men was a serious loss for one day, and every one of us remembers with sorrow the

New Zealand and the Peace Conference

grim lists of casualties attributable to it. There is a strong feeling throughout the whole Dominion that the time has come for a full enquiry into the technical circumstances of that terrible battle. The total number certified to have lost their lives is 16,302—thus the total death roll overseas exceeds by 50 per cent. the highest death roll for the entire country in any year of peace. In considering this great effort it must be remembered that throughout the four long years of war New Zealand was able to pay every soldier 5s. a day for his services, provide adequate separation allowances, meet the huge war charges and raise by loan within her own confines sums of tens of millions. Now that the conflict has terminated, great responsibilities still face us. Our men gave up their all for us; it is but their meed that the nation and its leaders shall manfully face the arduous problems of reconstruction and repatriation. Before closing it should be recorded that much credit is due to our Defence Minister, Sir James Allen. His far-sightedness and ability, his impartial administration of the Military Service Act, and his fearless fight for an adequate rate of reinforcement which kept the New Zealand Division at full strength, will bring to him high honour in future years as it does to-day.

III. NEW ZEALAND AND THE PEACE CONFERENCE

THE recent Parliamentary Session will go down to posterity as one of the most memorable in the Dominion's history—memorable because of the historic events signalised during its sitting and also for the grievous manner in which legislative measures of special importance were rushed through without due consideration in order to enable our leaders to leave for the Peace Conference. Immediately after its closing hours on December 10, Mr. Massey and Sir Joseph Ward embarked for England. Our first news of them was conveyed in a

New Zealand

cable dated January 22 which told us of the attitude they had taken up with respect to the arrangements made for New Zealand's representation at the Peace Conference. Unfortunately, in this matter our representatives entirely failed to represent the national viewpoint.

Throughout the length and breadth of the Dominion it is felt that Mr. Massey and Sir Joseph Ward made a tactical blunder; that courtesy and consideration should at least have led them to make their representations in private rather than to pursue the distinctly undignified method of conducting their diplomacy in public. The matter was dealt with at length in the editorial columns of almost every newspaper and remarkable unanimity was displayed in condemnation of our representatives' statement that the Dominion was not generously dealt with by both the Imperial Government and the Peace Conference. Mr. Massey's claim to two delegates because of New Zealand's war contributions was felt to be particularly uncalled for and illogical in view of the wonderful effort put forth by the Motherland.

On the contrary the Dominion is united in its feeling that we have indeed good cause for gratitude for the generous representation which was accorded to us. It is realised that the final arrangement—the recognition of New Zealand and the other Dominions as small nations—is indeed a step of far-reaching importance, and is of much greater advantage to us than the original plan by which the Dominions as a whole supplied one of the Imperial Delegates in rotation.

The reports of the deliberations and decisions of the Peace Conference have been followed with the greatest interest, and no section of its work has been of such importance to us as the decision reached with regard to the German Colonies. The New Zealand article in the *ROUND TABLE* for September, 1918, has already dealt with the viewpoint of New Zealand so far as this matter is concerned, and emphasised the strong feeling of this

New Zealand and the Peace Conference

Dominion that the Pacific Colonies must not return to Germany.

In view of the complete failure of dual control in the Condominium of the New Hebrides, it was felt that any experiment in joint international control would be disastrous. But New Zealand would have willingly agreed even to this course so long as we were certain that the Pacific Colonies would not go back to Germany. It is well to stress again the point that in protesting against the restoration of the German Colonies New Zealand was not actuated by mere Imperialistic ambition. We had no desire to create additional problems for ourselves ; but the German peril was very clearly realised, and no price seemed too heavy to pay in order to remove it.

It was therefore with much relief that we read that, when Mr. Massey was summoned together with Mr. Hughes and General Smuts to state the case, they were asked to deal with the Dominions' arguments against international control of the ex-German possessions ; for this meant that the colonies would not return to Germany. While approving of many of the arguments advanced in Mr. Massey's speech, it is felt that he was unwise in again claiming that German Samoa was "an island won by New Zealand's efforts," especially when one considers that Allied naval power alone enabled us to hold the island. The general opinion holds too that he could with advantage have considered alternative schemes of control. Although New Zealand's main desire is that German Samoa shall not return to Germany, it does not necessarily follow that we wish to control the Samoan Islands ourselves. The results of our administration of the Cook Islands fail to make many of us enthusiastic over such a scheme. Indeed, many in New Zealand would have been glad to see America take over Samoa's administration, provided due safeguards were secured for British trade and shipping.

As detailed in the cables, the final plan for Samoan

New Zealand

control contains several satisfactory features. Provided it is decided that we are to control Samoa, it is essential that the mandate given the Dominion should be wide and elastic, and this has evidently been secured. We have previously referred to the weakness of international control, and it is satisfactory to note that the divided authority which is its fatal weakness is largely eliminated. We gather that so long as administration is satisfactory, our tenure is practically in perpetuity. We await with interest full details with regard to the financial provisions. Heavy expenditure will be necessary on harbour works and roads in order adequately to develop the Island's natural fertility —how will the money be provided? While many in the community welcome the opportunity of administering Samoa on this plan, a considerable section feel that we are unwise in accepting the responsibility, and favour its incorporation with the British Pacific possessions in an Imperial Confederation. An editorial in the *Auckland Star*, of February 12th, voices this point of view effectively:—

Now, what are we going to do with this trust? It is a burden that eager politicians have thrust upon us, without, we are convinced, seriously weighing the many problems involved. There appear to us two alternatives: We may adopt the policy of drift that has marked the Dominion's control of the Cook Islands since their acquisition in 1901; or we can face the dangers involved in active tropical development. When this "integral" part of the country, subsequently to be possibly entirely absorbed on a vote of its people, is the home of 100,000 of mixed Oriental labourers, how will New Zealand stand? At the present time there is an uneasy feeling abroad that a great many more Hindus are drifting in here from our neighbour Fiji than are desirable, but what will be our position when Samoa is an absolute New Zealand possession? An Imperial South Pacific Federation, under the British flag, and controlled by a Government with its capital at Fiji, might have been achieved with a broader vision, and such energies as our politicians possess turned towards the development of New Zealand.

Repatriation Problems

IV. REPATRIATION PROBLEMS

THE home-coming of our gallant men is a prospect that is welcome to all ; but it would be still more welcome were the official programme for their reabsorption into civil life more adequate. It is certainly true that the Government passed a so-called Repatriation Act at the close of last Session ; but in conjunction with many another measure it received only a scant measure of consideration.

The Act calls for the establishment of a central Repatriation Board consisting of four Ministers, of a number of local boards or committees, also of a Director of Repatriation. The Government has also laid down the principle " that those men who have gone to the front shall come back to as good an occupation as they had before, and possibly to a better one." The Act provides for the making of various regulations, and we have been led by the Defence Minister to believe that the policy would be outlined therein. Thus far, there has been no announcement of policy and no regulations have appeared. As the *Auckland Weekly News* of January 16 tersely expresses it in an editorial, " The Dominion has a Repatriation Act and a Repatriation Board, but it has no Repatriation policy."

The line of action taken up by the Government has been unwise from the outset. During the passage of the bill through Parliament, particularly strong criticism, led by Mr. Downie Stewart, himself a returned soldier, was levelled at the Cabinet's policy of setting up a Repatriation Board of four Ministers. Opponents of the measure urged that one Minister should take entire charge of the new Department, devoting his whole time to the work, for it was felt that divided control must inevitably lead to inaction. A substantial section of the House voiced this view in debate, but on a division some of them supported the

New Zealand

Government—thus revealing the fact that pressure had been brought to bear on private members. In reply to recent criticism, pointing out that nothing had been done, it was stated that it was difficult for the Board to arrange meetings, owing to the frequent absences during recess of some of its members—the Ministers holding the important portfolios of Railways, Education, Lands and Agriculture. This difficulty was foreseen by those opposing the measure, while it was also pointed out that even in a full meeting a board of four leaves much room for wide differences of opinion. The fact that no one Minister is directly responsible to Parliament also leaves ample opportunity for inaction. The main argument, however, against a board of four members is not its cumbrousness, but the difficulty of fixing responsibility. No one Minister can be called to account, so that members of Parliament cannot receive immediate replies to criticism, while soldiers negotiating with the Board may be subjected to unnecessary delay and irritation by the transfer of their grievances from Minister to Minister. Many protests were made by Returned Soldiers' Associations and other bodies, but the Government was adamant, and its measure duly passed. Six weeks went by before the Board announced any important appointments, yet men are pouring back at the rate of thousands per month.

In a recent interview with a reporter of the *Evening Post* (Wellington) the Secretary of the Repatriation Board gives some further information on the question of policy. He says: "The Repatriation Act is a self-contained measure which will not need regulations to indicate the lines of policy," and he quotes sections of the Act to show that "wide powers of administration are given." Certainly the powers are wide enough, but the intentions are only vaguely hinted. Moreover, he states that "the Central Board has carefully considered and provisionally approved a set of instructions regarding procedure for district boards and committees in respect to grants of financial assistance,

Repatriation Problems

sustenance, payment of subsidising wages to disabled men who wish to be trained in new occupations and to apprentices whose ordinary civilian work was interrupted by war service." The point at once arises as to why the policy, evidently framed by the Central Board and provisionally laid down in the regulations, has not been divulged to the public, while a large section of the community believes that the Central Board is still in search of a policy and looks to the local committees to submit the suggestions upon which it will be framed.

In a speech on January 22 Sir James Allen showed that the Defence Department has its machinery in thorough working order from landing the men at the port of embarkation to the port of discharge. Already a measure of vocational training has been put in hand, and instruction is being given to men in camp and during the return voyage to New Zealand. Credit must be given to the Army Authorities for thus promptly making educational instruction available for the men of our armies with the view to making them more fit for civil life.

It is, of course, realised that many of the men will return to their pre-war avocations, but a large percentage of them must again begin life in the ranks of manual labour, unless their educational qualifications are adequately increased, and it is to this class that the educational policy of the Government should be especially directed. The Government asserts that jobs must be found for the soldiers when they return ; but surely it should not be merely a question of securing profitable employment for them ; the skill and industry of our returning men should be turned into those channels which will not only secure satisfactory remuneration for themselves, but will also make for national prosperity. Unless immediate action is taken it will be too late, and a grave responsibility rests on the Government for failing to recognise and investigate the problem at an earlier stage. Many of our soldiers will come back with a strong bias in the direction of outdoor employment. For their own and New Zealand's good

New Zealand

this should be gratified, but this involves a more adequate policy of land settlement than has thus far appeared. Nevertheless the Government is moving in the right direction and can point to many soldier settlers who have already made good under its plan of providing land and financial aid. It is also announced that returned soldiers will be financially assisted up to the extent of £300 to enable them to start in approved businesses. So far nothing has been said as to the facilities which will be offered the soldiers to leave one field of activity and enter another for which they may be now more fitted by taste or capacity. This will entail a considerable course of vocational training after returning to New Zealand, and it is stated that the Government has an extensive scheme under consideration. No course will be adequate that does not make ample provision for instruction in agriculture and those rural industries to which New Zealand must look for much of her future prosperity. It should be comparatively easy to secure such instruction by linking up to the scheme the already established State Farms, which should provide excellent schools, affording the soldier complete instruction in modern farming practice. Something has already been done, but on an inadequate scale when one considers that over 40,000 men will return to New Zealand in the next few months. It plainly devolves on the Government at once to face the position, to put in hand a thorough investigation of the Dominion's needs in every branch of national industry, and from the facts thus gained produce an adequate policy for administration by the Repatriation Department and its local committees.

New Zealand. March, 1919.

